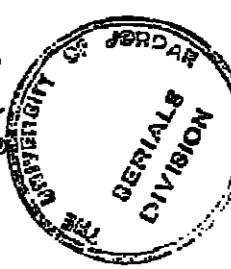


# INTERNATIONAL Herald Tribune

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## EU Coolness Puts U.S. on Defensive in Trade Dispute

**Bruised Feelings Evident As Japanese Envoy and American Aide Quarrel**

By Tom Buerkle  
International Herald Tribune

**BRUSSELS** — The United States found itself on the defensive Monday in its dispute over auto trade with Japan as the U.S. trade representative, Mickey Kantor, failed to elicit European support for Washington's hard-line stance. Instead he became embroiled in an extraordinary and virulent public argument with Japan's ambassador here.

The ambassador, Tomohiko Kobayashi, also gave the strongest warning yet that Japan would not cave in to U.S. pressure. He said Tokyo would "consider very seriously" imposing retaliatory sanctions on American products if Washington goes ahead with its threat to levy 100 percent tariffs on Japanese luxury cars next month.

"We can't do nothing when our industry is hurt unduly," Mr. Kobayashi said.

Minutes earlier, Mr. Kobayashi took over a news conference given by Mr. Kantor to claim that Japan's automobile market was as open as Europe's or America's. He cited estimates that European makers would win up to 6 percent of the Japanese market this year, more than in the United States.

Mr. Kantor shot back angrily, saying Europe had only 3 percent of Japan's market because of regulatory barriers that he wants to tear down.

"You're wrong about that, with all due respect," he told the ambassador. "You've got to get your numbers correct."

The highly unusual exchange illustrated the depths of mutual incomprehension and animosity that have developed between U.S. and Japanese officials during 20 months of intense talks on cars and other parts. It also postponed until next month a crucial decision — whether to take place until much closer to Washington's June 28 deadline for imposing sanctions.

Japan, which plans to appeal the U.S. decision to the World Trade Organization, hopes to have a first round of WTO-sponsored consultations with the United States before the end of the month, a Japanese government spokesman in Paris told Agence France-Presse. The official said Japan would encourage a third party to take part, adding that "in general, when Japan-U.S. trade issues arrive, the European Union does not remain silent."

Commerce Secretary Ronald H. Brown said Monday in Geneva that the United States would abide by any decision by the World Trade Organization.

EU officials said Mr. Brown's gesture was welcome but had little practical effect because any WTO ruling would come months after sanctions went into effect.

Stuart Eizenstat, the U.S. ambassador to the European Union, said no meetings were scheduled with Japan's trade minister, Ryutaro Hashimoto, when he and Mr. Kantor travel to Paris for a meeting of the Organization of Economic Cooperation and Development on Tuesday and Wednesday.

"They are still in the phase where they feel they have to shout at each other," said a senior EU trade official who has met recently with U.S. and Japanese officials.

Mr. Kantor justified his decision last week to threaten the tariffs on Japanese cars unless Tokyo opened up its auto market, saying Japan's barriers to imports posed the single biggest threat to an open world trading system.

"The way to build credibility for world trade," he said, "is to enforce your trade agreements and trade laws in a vigorous manner."

His arguments failed to impress the European Union's trade chief, Sir Leon Brittan. After nearly two hours of talks with Mr. Kantor, Sir Leon said he had "nothing to add and nothing to subtract" from his comments last week, in which he criticized the U.S. sanctions threat as an illegal move that could undermine the new World Trade Organization.

See TRADE, Page 6



Ahmed Jadallah/Reuters

Yasser Arafat seeing off Shimon Peres after the two leaders met Monday at the PLO chairman's offices in Gaza.

## Forecast on Japan Growth Takes a Hit

By Alan Friedman  
International Herald Tribune

**PARIS** — The Japanese economy will grow by a lackluster 1.3 percent this year, or just half the speed that was previously estimated, slowing growth prospects for the rest of the industrial world, according to an authoritative report issued Monday.

The forecast of such a low Japanese growth rate for 1995, compared to a previous projection of 2.5 percent, was made by the Organization for Economic Cooperation and Development on the eve of its annual ministerial meetings here.

While the meetings are being overshadowed by the continuing trade dispute be-

tween Washington and Tokyo, diplomats said OECD trade and finance ministers would succeed Tuesday with at least one major initiative. They are expected to approve plans to try and conclude an international treaty governing cross-border investment within the next two years.

Part of the reason Japan's growth prospects were revised downward, along with those of other OECD members, was the effect of the dollar's downward spiral in recent months.

Jean-Claude Paye, the OECD secretary-general, said the yen's strength against the dollar was slowing the recovery in Japan, partly by affecting exports.

The worsening Japanese economic out-

look will dent the overall growth rate of the 25 member nations of the OECD. This means that the world's richest nations can expect 1995 growth of 2.7 percent, less than the 3 percent figure the OECD projected last December.

The general outlook for member countries is reasonable, though not flourishing," said Mr. Paye. "This is sustainable growth without inflation."

The report was also bearish on Japan's prospects in 1996, saying the economy would grow by only 2.3 percent next year, down from an earlier estimate of 3.4 percent.

Average economic growth in 1996 for all

See JAPAN, Page 6

## Battered by Russians, Grozny Is Now Awaiting Their Cleanup

By Lee Hockstader  
Washington Post Service

everything," said Rashid Idrisov, deputy director of the hospital. "And then they did nothing. Nothing."

GROZNY, Russia — When a delegation of top Russian officials breezed into Grozny's Hospital No. 4 last month promising quick infusions of cash and equipment, its administrators took heart.

Nearly everything in the 510-bed hospital had been shot full of holes, blasted to smithereens, singed by fire or hacked off by marauding Russian soldiers in the two-month battle last winter for the capital of Chechnya.

The hospital's walk-in clinic had been taken over by Russian troops who were using it as base and latrine. The children's ward, left without a stick of furniture, was closed down altogether.

Not to worry, said the Moscow officials, who included the head of the KGB's successor agency and a first deputy prime minister. We'll have it fixed up in no time.

"They promised to help us, to give us

Heaving leveled much of the capital. Grozny, in crushing the region's bid for independence, Russia is now grappling with a massive cleanup job. In a city whose prewar population was 400,000, more than half the buildings are destroyed or heavily damaged.

But so far, residents and foreign aid workers here said, the Kremlin's response has been glacial. Despite elaborate promises of money and material, the Russians in Grozny appear to be doing as much to further offend and alienate people as to help them. Moscow has captured the city, but not its residents' hearts and minds.

In ways large and small, the Russian

presence still has the feel of an armed occupation, rather than a response to a disaster. Officials of the Ministry of Emer-

See CHECHNYA, Page 6

## Simpson Ad Nauseam? Tell It to the Judge

By Marc Fisher  
Washington Post Service

**LOS ANGELES** — Even as the Trial of the Century threatens to become the Trial of the Rest of the Century, it is not the yawning length of *People v. Orenthal James Simpson* that has the legal profession up in arms. Rather, it is this: What could have been an extraordinary, but not altogether anomalous, case has instead degenerated into an unwieldy legal circus.

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Simpson matter," as Judge Lance A. Ito calls it every day, may well be with us into the next millennium.

Critics spread the blame generously around the courtroom. The prosecutors chose to bombard the jury with detail, losing sight of the core of the story line: two dead bodies, one suspect's blood and DNA. A bloated and divided defense team lost its chance to bond with the jury, splitting its attack in a bewildering array of directions.

But from law schools to TV commentators, and even inside the courtroom, the bulk of the criticism is aimed at Judge Ito. After permitting the trial to get so far out of hand that lawyers were constantly bickering and jurors were dropping out and nodding off, the judge has gotten tough.

He now comes at flabby lines of questioning, fines misbehaving lawyers and fingers members of the audience who dare to wear beepers, carry newspapers or otherwise distract the new discipline in Department.

And so it will not end at all. "The

trial is a mess," said Judge Lance A. Ito, as he read his 100-page opinion.

## Oklahoma Bombing Suspect Freed

**DETROIT** (AP) — James Nichols was ordered freed without bail Monday on explosives charges after a hearing before a U.S. District judge in which the government said for the first time that he had a hand in the Oklahoma City bombing last month that killed 166 people.

An assistant U.S. attorney, Robert Cates, argued unsuccessfully that Mr. Nichols should remain in jail on charges of making small explosives on his Michigan farm.

He said Mr. Nichols took "the final step" in the April 19 bombing, along with his brother Terry and Timothy McVeigh. Only Terry Nichols and Mr. McVeigh have been charged in the bombing.

See CIRCUS, Page 3

## Israel Will Hold Off On Land Takeovers

**Turnabout on Jerusalem Welcomed By Palestinians and Moderate Arabs**

By Clyde Haberman  
New York Times Service

**JERUSALEM** — Retreating on an issue that had put it in political peril, the Israeli government suspended its plans Monday to confiscate land in largely Palestinian areas of Jerusalem.

The sudden about-face was welcomed by Palestinians and moderate Arab states like Jordan, which had distressed the Israelis with warnings that the Jerusalem dispute could undermine fledgling diplomatic relations between their two countries.

The reversal by Prime Minister Yitzhak Rabin, who had insisted earlier that the expropriation was final, killed a no-confidence vote in Parliament that had threatened to bring down his government because of a rare alliance between Arab parties and Jewish rightists who saw an opportunity to strike a lethal blow.

There were two other immediate effects. Arab states called off a summit meeting scheduled for Saturday in Morocco, a gathering that Israel had feared would erode new and fragile relations with some Arab countries. And a serious obstacle was removed in Israel's peace talks with the Palestine Liberation Organization. Over the weekend the Palestinian leadership in Jerusalem had warned that the land issue could spark a new *intifada*, or uprising.

Foreign Minister Shimon Peres met today in the Gaza Strip with Yasser Arafat, the PLO chairman, and renewed Israel's determination to complete negotiations on widening Palestinian self-rule by July 1, despite widespread doubts about meeting that deadline.

As a goodwill gesture, Mr. Peres agreed to increase the number of Palestinian laborers allowed inside Israel by several thousand, to 35,000. He said that even before July 1, Palestinians in the West Bank may assume authority over electricity, energy and a few other areas now in Israeli hands.

For his part, Mr. Arafat said that he hoped the land seizure now frozen would be Israel's last, although he personally has seemed less interested in this issue than in quickly completing negotiations that would expand his power beyond Gaza and Jericho to the entire West Bank.

If the Israeli government's decision, made in an emergency cabinet meeting, smoothed ruffles on the peace front, it also left it vulnerable to opposition attacks that it had caved in to Arab pressure. Rightist leaders are all but certain to charge now that Mr. Rabin had shown himself to be irresolute on Jerusalem, which Israel has fully controlled since 1967 and insists will remain its undivided capital forever.

Indeed, the main opposition party, Likud, swiftly denounced the cabinet action as a "disgrace." Among the harshest critics

was Mayor Ehud Olmert of Jerusalem, a senior Likud figure, who said, "This is a government of surrenderers, a government lacking self-respect and principles, a bunch of cowards."

In reply, government leaders blamed Likud for its readiness to support two small Arab parties that had brought no-confidence motions on a matter — land expropriation — as a statement of Jewish sovereignty — that the right claims to champion. If this government were to collapse, they argued, so would peace talks, and therefore they had to act as they did Monday to keep it alive.

In the end, the Arab parties withdrew their motions. But Mr. Peres charged that, to the rightists, "toppling the government is more important than keeping the unity of the country around Jerusalem."

Some government officials acknowledged that they had been politically weakened by their handling of this issue since it first arose three weeks ago.

The way it was done was awful," an official said.

The matter led to an international uproar, which if anything grew louder last week after the United States, although criticizing the land seizure, had voted a resolution in the Security Council demanding that Israel call it off.

In Washington, Nicholas Burns, the State Department spokesman, had tentative praise for Israel's announcement that it was suspending the confiscation.

"We didn't believe that the original decision to confiscate the land was helpful," Mr. Burns said at his daily briefing. "We believed it posed difficulties."

The Israelis have routinely confiscated land in and around Jerusalem — mostly for their own use, as in this case — since winning the 1967 Middle East war and capturing parts of the city that had been under Jordan's control. For all the heat that it generated, the latest seizure was one of the smallest. It involved 134 acres by local count, or 131 in the UN resolution, in the Beit Safafa neighborhood to the south and Beit Hanina to the north, both Palestinian areas.

With peace talks on the line, international reverberations became powerful.

The government belatedly emphasized to Palestinians, highly skeptical given Israel's record on this score, that busing them planned for Beit Safafa would be for them. Then it tried to ease the developing crisis by promising that in the future it would take no more land in Jerusalem.

Technically, the expropriation is merely suspended, not canceled. A cabinet committee led by Mr. Rabin is supposed to study the issue. But it is difficult to see how the land seizures could be revived in the present climate.

## AGENDA



Kieran Doherty/Reuters

## U.S. Court Bars Term Limits Set by States

By Joan Biskupic  
Washington Post Service

**WASHINGTON** — The Supreme Court ruled Monday that states could not set term limits for members of Congress, saying American democracy was built on the principle that individual voters choose who governs and for how long.

The 5-to-4 decision also would stop Congress from writing term limits into a statute. It makes a constitutional amendment the only sure means of restricting incumbency.

"Allowing the several states to adopt term limits for congressional service would effect a fundamental change" in the Constitution, Justice John Paul Stevens wrote for the court. "Any such change must come not by legislation adopted either by Congress or by an individual state, but rather . . . through the amendment procedure."

He said a "patchwork" of state tenure qualifications would undermine the uniformity and national character sought by the framers of the Constitution.

The case, involving term limits imposed by Arkansas on its senators and House members, had become a symbol of the anti-Washington sentiment of current voters and was being especially watched by House Republicans, who have proposed term limits as part of their "Contract with America."

Since 1990, 23 states have adopted term limits. While the merits of keeping incumbents off a ballot after a certain tenure has been debated sporadically since the nation's founding, this was the first such case



THE AMERICAS

New Players in Welfare Game

Inner Circle of Republicans Now Makes Policy

By Barbara Vobejda  
and Judith Havemann  
*Washington Post Service*

WASHINGTON — When the Senate opens debate on welfare legislation this week, sitting in the Finance Committee room will be a gallery of advocates for traditional constituents: the poor, the disabled, immigrants and children.

But they truly will be watching from the grandstands, as they have since the House took up its welfare bill early this year. Along with all else that changed when Republicans came to power in November, so

did the players and the process of making social policy.

As a result, the welfare bill approved by the House and one scheduled for a committee vote Wednesday in the Senate — embodying the most far-reaching overhaul of social-welfare programs in 60 years — represent the work of an inner circle of new actors, excluding others who wielded enormous influence in previous debates.

Much else also has changed. Complex legislation, which would end the federal entitlement that has guaranteed support for the poor since the 1930s, sped through the House in weeks and appears on a similar fast track in the Senate.

Both the House and Senate bills would replace the nation's basic cash-assistance program, Aid to Families with Dependent Children, with a lump-sum payment to the states that gives them a free hand to design their own programs.

By comparison, the much more incremental welfare legislation approved in 1988 took more than a year to work its way through Congress.

To those on Capitol Hill, the most extraordinary aspect of the process has been the entree to a small group of outsiders — a handful of Republican governors and their staffs — in writing the legislation.

In both the House and Senate, one or two congressional aides and Gerald Miller, a representative of Governor John Engler of Michigan, a Republican, have written the bills. Mr. Miller, director of Michigan social services, was asked by Senate Finance Committee aides to submit a draft bill, much of which has been accepted by the committee chairman, Bob Packwood of Oregon.

In the House and the Senate, Mr. Miller has negotiated individually with Republican aides, line by line, about what would not be included.

For some on Capitol Hill, the level of power handed to a few governors and their staffs has been troublesome, going far beyond the traditional lobbying role that governors or mayors have played in the past.

That unusual dynamic also stems from the November elections, which left 30 Republican governors in office wielding enormous influence for the first time on Capitol Hill.

Haley Barbour, the Republican National Committee chairman, pushed along this new relationship, and within weeks representatives of Mr. Engler and Governor Tommy G. Thompson of Wisconsin, the lead Republican governors on welfare, were sitting in drafting sessions with House Ways and Means Committee aides.

The Republicans aggressively promoted the concept of ending the federal entitlement and replacing federal programs with block grants to the states, which was more radical than the welfare reform measures previously proposed by House Republicans.

"There was nothing bipartisan about it, nothing," said Governor Howard Dean of Vermont, a Democrat, who heads the National Governors' Association. "The Republicans did not desire to have a compromise on this issue. At least the Republican leadership of the NGA did not desire to have our input."

"On the Senate side, people are willing to dance with us, but the decisions to cut have already been made," said Robert Fersh, president of the Food Research and Action Center.

"The defense will, at the proper point, be ready to engage and to offer up some ideas. But, you know, the timing is his choice and not yours."

That strategy reflects not only a remarkable unity of purpose for a White House known for talking out of turn but also the realization that, in the words of one Clinton adviser, "the budget is the whole ball game" this year in determining the direction of the government and Mr. Clinton's prospects for re-election.

So, under the direction of Mr. Clinton's chief of staff, Leon E. Panetta, the administration is singing as one. (NYT)

**Gun Lobby Backs Probe of Militias**

PHOENIX, Arizona — Wayne R. LaPierre Jr., the executive vice president of the National Rifle Association, says his organization favors congressional hearings into the scope and intent of the heavily armed "citizen militias" that are proliferating around the country.

"We condemn hate groups, terrorist groups," Mr. LaPierre said. "We have never had anything to do with any of these paramilitary-type groups you see on television. That's not the National Rifle Association."

The association, the most powerful gun lobby in the country, has suffered image problems since two sympathizers of rightist groups were arrested as suspects in the Oklahoma City bombing that killed 166 people last month.

But other association officials cautioned that while Mr. LaPierre might endorse an investigation into paramilitary groups and the association might tinker with its image and sometimes strident language, there would be no significant change in its basic goal of promoting and defending the right to bear arms. (NYT)

**A Careful Budgeting of Words**

WASHINGTON — The Clinton White House has many faces and voices. But when it comes to negotiations on the future shape of the federal budget, they all speak these days in one portentous rumble: "All in good time," they say.

"This is not the moment for us to offer an alternative," said Alice M. Rivlin, director of the Office of Management and Budget. Laura D'Andrea Tyson, the president's chief economic policy adviser, said, "It's not the appropriate moment to propose an alternative."

And the same day, the White House spokesman, Michael McCurry, said: "The president will, at the proper point, be ready to engage and to offer up some ideas. But, you know, the timing is his choice and not yours."

That strategy reflects not only a remarkable unity of purpose for a White House known for talking out of turn but also the realization that, in the words of one Clinton adviser, "the budget is the whole ball game" this year in determining the direction of the government and Mr. Clinton's prospects for re-election.

So, under the direction of Mr. Clinton's chief of staff, Leon E. Panetta, the administration is singing as one. (NYT)

**Quote / Unquote**

Paul Jacob, a member of a group that favors congressional term limits on the Supreme Court decision knocking down state limits on congressional terms: "This is a decision that will cause a lot of politicians in Washington to pop the corks on their champagne bottles. I've got a message for them — drink up. You're outnumbered. They're going to wake up tomorrow and find out the American people are still going to want term limits."

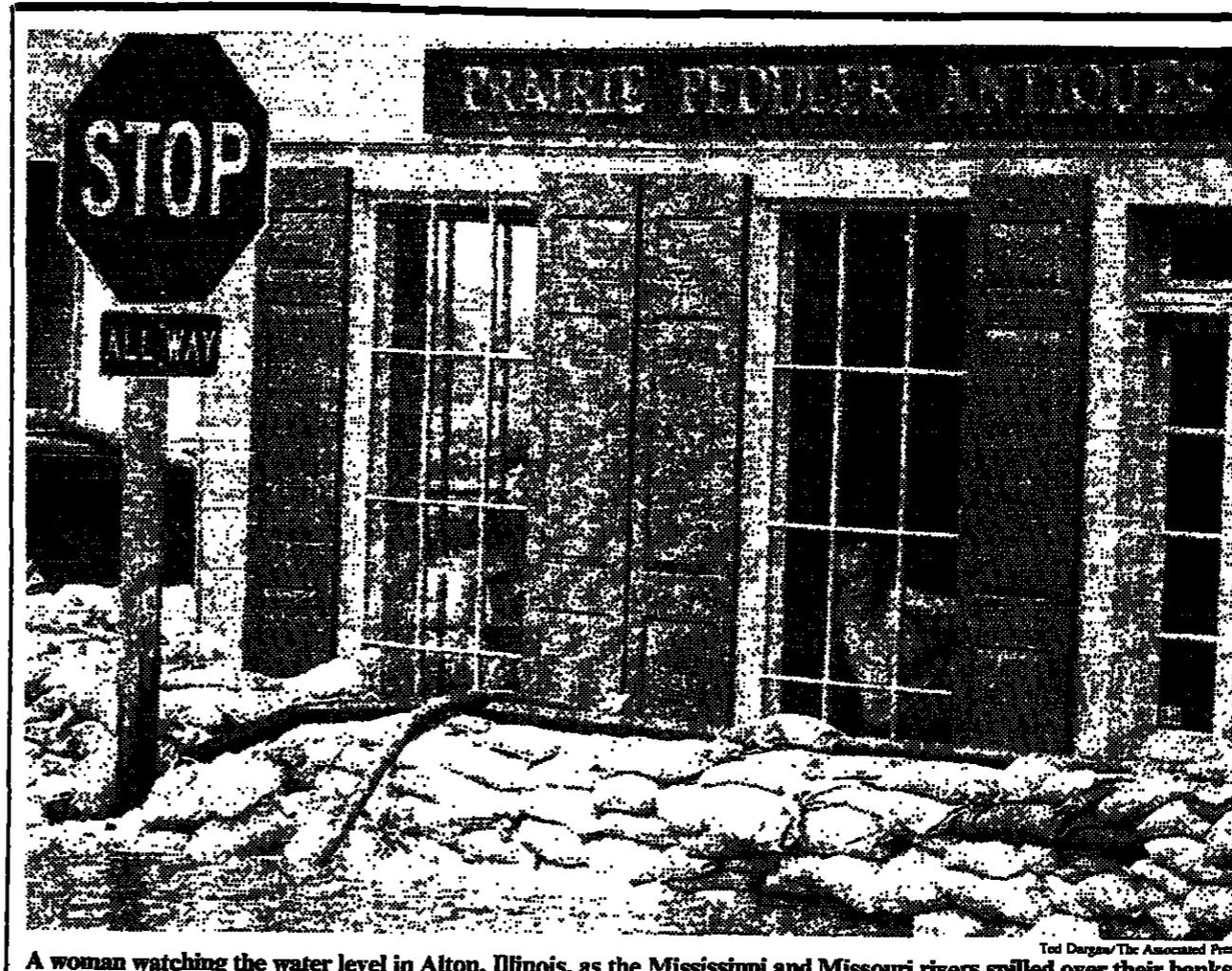
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Ted Douglass/The Associated Press

**Press and the Public: The 'Cultural Divide'**

By Howard Kurtz  
*Washington Post Service*

WASHINGTON — More than half the public agrees with Newt Gingrich, Republican of Georgia and the House speaker, that the press has been too cynical and negative in covering the new Congress, but 8 in 10 journalists who cover national issues disagree.

Two-thirds of the public believes that President Bill Clinton's character problems have been overplayed by the media,

but two-thirds of national journalists reject such criticism.

More than half the public says homosexuality should be discouraged, but 8 in 10 journalists believe it should be accepted.

These are among the findings of a survey of 515 journalists and 2,000 others made public Monday by the Times Mirror Center for the People and the Press. The study depicts a yawning gap between the way journalists and their customers view politics, social issues and the news business.

"There appears to be a cultural divide that the press itself acknowledges," said Andrew Kohut, the center's director.

"The public is saying the national media are part of the problem. They identify more of the 'gotcha' journalism and out-of-control journalism with national news organizations."

To be sure, many reporters and news executives are sharply critical of their profession. Half the journalists surveyed said the media had not adequately covered the potential consequences of the "Contract With Ameri-

ca," the Republican blueprint for the first 100 days of Congress.

Three-quarters admit they give too little attention to complex issues.

Two-thirds of national journalists — and more than half of those from local media outlets

— say they give short shrift to positive news. More than two-thirds say they are too focused on reporting the misdeeds and personal failings of public figures. And more than half agree that journalists are too cynical.

Yet they may be less cynical than the people they serve.

More than half the national journalists surveyed gave officials in Washington high marks for honesty and integrity, about three times the proportion of nonjournalists. Local journalists were twice as likely as ordinary citizens to have high regard for federal officials.

On other questions, the public delivered a significantly harsher verdict on the media.

Mr. Kohut, the DePaul professor, "Three weeks for the prosecution, three weeks for the defense, a week of instructions and argument. The judge is the main culprit."

Analysts said Judge Ito

should not have allowed rebuttal to opening arguments, a weeklong break in the trial for the elusive witness Rosa Maria Lopez to be deposed, or other extended arguments over evidence and witnesses.

"It's not a matter of rules," said Judge Marilyn Milian, who presides over criminal cases in Dade County, Florida. "It's work ethic and the Hollywood mentality. If the cameras weren't there, the trial would be over. When we keep a jury, we bop till we drop."

"I kept a jury till midnight

last week because I had to move on," she said. "Judge Ito keeps on bankers' hours and then just lets the lawyers go back and forth for two and a half hours talking about the same thing."

There is nothing snap about

celebration if the former foot-

ball star goes free.

The Simpson celebrity whirl-

wind rages unchecked.

Judge Ito, Mr. Cochran and a

prosecutor, Christopher Dar-

den, made well-publicized

speeches. Mr. Cochran attend-

ed a book party for Norman Mailer in West Hollywood.

And Mr. Garciotti traveled to

Washington, ostensibly to seek

money for law enforcement.

But he made time for plenty of

O. J. talk during his visit.

The judge and the lawyers on

both sides seem unable to curb

their appetite for attention.

From Judge Ito's extensive interview with a Los Angeles TV personality last fall to Mr. Cochran's jam-packed speaking schedule, from the heavy make-up of the lead prosecutor, Marci Clark, to the defense lawyers' jockeying for seats in direct view of the courtroom camera, the case's celebrity cachet has robbed the justice system of authority and mystery, legal experts say.

Barry Scheck, a member of

the defense team, blames TV

coverage for fostering "disre-

spect for the system."

"This whole new industry of

commentators promotes cyni-

cism, and I speak as one of the

original commentators on

Court TV," he said. "There's no

presumption of innocence,

there's snap judgments."

There is nothing snap about

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## INTERNATIONAL

# Mexico City's Street Children Grow in Number and Wretchedness

By Tod Robberson  
*Washington Post Service*

MEXICO CITY — The morning sun streaked across 12-year-old Eloy's emaciated face as he and his girlfriend, Margarita, greeted the new day from a discarded red velvet armchair they had shared the previous night outside a Mexico City subway station.

Both yawned, squinted, then simultaneously pressed taxined, solvent-soaked tissues to their mouths, inhaling deeply.

The momentary boost from the fumes was enough for Margarita, 14, to pull herself to her feet. Then, complaining of a fever and wanting more sleep, she stumbled a few meters over to a manhole, stepping around a dead rat and descending into her "bedroom" — an old underground pipe that years ago had run thick with raw sewage.

The story of Eloy and Margarita reflects that of thousands of other homeless Mexican children who, experts say, are becoming more numerous and more destitute as Mexico's five-month-old

economic crisis, prompted by a devaluation of the peso, deepens.

"Before the economic crisis, we used to come across two or three new street kids every week," said José Manuel Capellin, director of the Casa Alianza shelter for homeless children. "Now we see two or three new ones every day."

A senior government official acknowledged that Mexico's suffering economy has increased the signs of abject poverty.

"It is logical," he said. "The crisis brings greater unemployment, and unemployment leads to greater poverty. Poverty expels children onto the streets."

The section of rusted iron sewer pipe where Margarita crawled off to sleep is also home for 45 of Mexico City's poorest poor. They range in age from 7 to 19, spending their days begging, washing car windows at intersections and foraging for food.

At night, they escape the pain and loneliness of street life by gathering in their underground culvert. Someone collects the day's earnings and rushes off to a nearby hardware store to purchase

whatever "drug" is available — chemical solvents, shoe-cobbler's glue or plumber's pipe dope.

For reasons no one cared to explain, Eloy is the group's keeper of the tissues, stuffing wads of solvent-soaked toilet paper into a plastic bottle and dispensing them to all takers.

"It makes me fly," said Guillermo, 19, as he accepted a tissue from Eloy. "I can forget everything and take a trip."

Although he described himself as a longtime veteran of street life, having left his parents seven years ago, Guillermo said the economic crisis was pushing new children to his sewer-pipe doorstep every week.

"We have to be mean to them and tell them to go away," he said.

At a nearby bus station, Manuel Veloz Vite, a Casa Alianza volunteer, said new children were flocking in daily, mainly from the southern states of Veracruz, Oaxaca, Michoacan and Chiapas, which have been hardest hit by rising unemployment and poverty.

"The street children are not the problem but

rather a symptom of the real problem," Mr. Capellin said. "The kids are evidence of how the system punishes its weakest members."

A 1992 United Nations survey estimated that there were 11,000 "street children" in the Mexican capital, either homeless or put on the streets by their parents to beg or work.

Now, "we think there are 30,000 to 40,000," said Mr. Capellin, whose organization operates eight shelters for children across Mexico City. He added that no nationwide estimates exist.

The children are in evidence at busy intersections everywhere in the capital. Taller youngsters jump on car hoods when traffic is at a standstill, spraying windshield with detergent and quickly wiping them clean in hopes of earning a one-peso donation, the equivalent of 17 cents. Smaller children weekly wipe side mirrors or tap the drivers' windows to ask for a handout.

At one busy intersection, María Camacho, a 38-year-old mother of eight, said she sends her children onto the streets because "it is the only way we can survive."

Before the crisis, she explained, her older teenage boys could earn up to \$15 per day washing windshields. She made roughly the same amount selling gum while keeping an eye on her two infants.

"People won't give the kids anything anymore," she said. "We make half as much as we used to."

For those like Eloy and Margarita without parents to watch over them, the tough times are leading to increasing acts of desperation. A few months ago, Mr. Veloz said, Margarita tried to commit suicide by slamming her head repeatedly into a concrete wall. She has also slashed her wrists at least twice.

While entertaining two reporters inside his manhole home, Eloy extended his own wrist and asked an aid worker to put a bandage on cuts he had made the day before.

"I did it with some broken glass," he explained.

When asked why a 12-year-old boy would want to kill himself, Eloy rolled his eyes, as if to say the answer was obvious. Then he turned silently away.

## To Fight Virus, Zaire Starts Spot Checks

Compiled by Our Staff From Dispatches

KINSHASA, Zaire — Zaire, whose capital has been spared by the Ebola virus, has introduced checks at unexpected spots on roads leading to Kinshasa to screen for the deadly disease.

With the death toll at 101, Sammy Chumfung, a spokesman for the World Health Organization, said Monday that the random checks replaced a failed attempt to stop all travel to the capital from Bandundu Province, where the outbreak occurred.

"The screening posts are dotted everywhere for purposes of random testing," Mr. Chumfung said. "We don't want people to know where they are, so they don't try to avoid them."

No cases have been reported in the capital.

Medical experts in Kikwit, at the heart of the epidemic that at first was mostly confined to doctors and nurses at Kikwit General Hospital, expect a clearer picture of the impact on the general population to emerge this week.

The virus, which is contracted by contact with blood or bodily fluids, kills by causing

uncontrollable bleeding. There is no known vaccine or cure.

The World Health Organization said Sunday that scientists investigating the epidemic had traced cases to the end of 1994, three months earlier than previously believed.

Nevertheless, even sketchy information about the earliest cases was "good news" because it could bring scientists a step closer to trying to find where the Ebola virus hides in nature between outbreaks, said Dr. Clarence J. Peters, a virologist at the Centers for Disease Control and Prevention in Atlanta.

Scientists strongly suspect that the natural reservoir for the Ebola virus is some species of animal that carries the virus without getting sick.

Until Sunday, the international team had identified a laboratory technician who underwent surgery in March as the initial case in the epidemic. Several nurses and doctors who participated in the technician's surgery became sick and died.

But the international team has indicated that it no longer believes that the technician was the initial case, but another victim in the chain of transmission.

(Reuters, NYT)



Donald Brown/The Associated Press

## TRADE: EU Cools U.S. Ardor for Fight With Japan

Continued from Page 1

Trade Organization as a trade forum

That view is widely shared beyond U.S. borders, and there

were signs that American officials were hearing the message.

In his meeting with Sir Leon, Mr. Kantor emphasized that sanctions would not come into force before June 28, saying,

"We haven't done anything yet," according to one official.

In a speech later to U.S. corporate executives, Mr. Kantor said his goal was not some form of government-managed trade in cars, but a level playing field that would give all automakers, including Europeans, a fair crack at Japan's market.

"They clearly are on the defensive," the EU official said.

Despite the differences over tactics toward Japan, Mr. Kantor and Sir Leon did make progress in defusing some of their own trade disputes, including EU quotas on banana imports and U.S. demands for tariff concessions following the entry of free-traders Sweden, Finland and Austria to the Union in January.

Agriculture Commissioner Franz Fischler will travel to Washington in June to continue negotiations on bananas.

"There was clearly an effort on Mickey Kantor's side to not have two fronts open at the same time," the EU official said.

Justice Stevens signed Justice Kennedy's broadly written opinion and wrote a separate statement emphasizing how the Arkansas term limits statute challenged the "distinctive character" of a national government.

"There can be no doubt, if we are to respect the republican origins of the nation and preserve its federal character, that there exists a federal right of citizenship, a relationship between the people of the nation and their national government, with which the states may not interfere."

In the dissent were Chief Justice William H. Rehnquist and Justices Antonin Scalia, Sandra Day O'Connor and Clarence Thomas, to whom the chief assigned the dissenting opinion.

"It is ironic that the court bases today's decision on the right of the people to choose

governments, whose job is to address the most pressing needs of public health and welfare, emerge from their sandbagged compound and drive around town in armored personnel carriers, their machine guns more than their constituents."

The Arkansas rule keeps candidates off the ballot who have been elected to the House more than three times or to the Senate more than twice.

## CHECHNYA: Awaiting Cleanup

Continued from Page 1

Yet critics say billions, not millions, of dollars are needed, and to most people who live and work in Grozny the Russian response has been woefully inadequate.

The problem has been compounded by the return of more than 100,000 people who fled the heaviest fighting in January and February, and whose arrival now straining the few services the Russians

have been able to restore.

The most visible effort by Moscow has been to raze shattered buildings and clear rubble from the center of the city. Work was also under way to fix up the central railroad station, which was pulverized in the fighting.

Despite the repairs to power lines, most parts of town still lack electricity. With pumping stations destroyed or heavily damaged, there is still virtually no running water, and people were relying on wells and water trucks supplied by relief groups.

Gas has been restored to some, but not all, parts of the city.

Of the tens of thousands of people whose homes were destroyed, about 7,000 have asked for temporary housing. But with shelter in short supply, there is little immediate chance of relief.

Beyond the aid work, many people complain bitterly about the conduct of the Russian soldiers. Many can be seen lounging at their checkpoint bunkers or perched on their armored personnel carriers, drinking beer and vodka at all hours.

## Israeli Minister Punched in N.Y. By Rally Sponsor

NEW YORK — The culture minister of Israel was punched in the stomach before the city's annual Salute to Israel parade by an irate sponsor of the rally who tried to prevent her from speaking, a spokesman for the Israeli consulate here said.

"As I spoke about Israel's strength and accomplishments," the minister, Shulamit Aloni, said on Israeli radio Sunday, "a heavy man in black rose up with a hand cry and jumped on me. He punched me in the stomach."

The attack took place as Ms. Aloni was about to greet the parade's participants. Gideon Mark, the spokesman, said: "Some of the hoodheads who are opposed to the peace process began to boo her and wouldn't let her talk."

The minister was not deterred by the boos.

N°5



## JAPAN: Growth Forecast Halted

Continued from Page 1

OECD members was forecast at 2.7 percent, instead of the 2.9 percent rate predicted last year.

The rate of growth in Germany could also be affected, although to a lesser extent, by the dollar's weakness against the Deutsche mark.

Although the OECD said it expected Germany's economy to grow by 2.9 percent this year, rather than its earlier forecast of 2.8 percent, the research organization said German growth would be just 2.7 percent in 1996, below the 3.5 percent rate that was forecast less than six months ago.

Slower growth in Germany could affect Western Europe more generally next year, slowing growth there to 3.0 percent. Earlier, the OECD predicted growth of 3.2 percent for Western Europe in 1996.

The economic report Monday

day seemed to support the notion that there are reasonable prospects for the U.S. economy to experience a "soft landing."

The OECD forecasts suggested that the U.S. economy would grow at 3.2 percent in 1995 and 3.3 percent in 1996, down from growth of 4.1 percent last year.

Inflation in the United States could be around 2.0 percent this year, or much less than the 2.5 percent contained in the last OECD forecast.

For all of the OECD nations, excluding Turkey and Mexico, where inflation is typically high, price rises should be moderate: 2.0 percent in 1995 and 2.4 percent in 1996.

The OECD's more bearish forecasts are likely to come up in talks Tuesday between finance and trade ministers who are due to discuss ways of fighting unemployment, which has remained at stubbornly high levels in many countries despite renewed economic growth.

The OECD has prepared specific policy proposals for how each member country can reduce unemployment, but the recommendations are being kept secret for the time being. The United States has urged that they be made public.

David Aaron, the U.S. representative to the OECD, said Monday that "there is some sensitivity about strong recommendations being debated in the public arena, but we hope that the results will be published."

## Ex-Nazi Stripped Of a Bonn Medal

Agence France Presse

BONN — President Roman Herzog of Germany has stripped a former college deputy chancellor of the Order of Merit after revelations that he concealed his past as an SS officer in World War II, a spokesman for Mr. Herzog's office said Monday.

The so-called Hans Schwerdt, who worked as a senior SS officer under his true identity of Hans-Ernst Schneider, was awarded the order in 1983. He was employed at the College of Aachen.

Mr. Schwerdt would not have been awarded the honor if his past had been known. Mr. Herzog's spokesman said.

## Chechen Leader Agrees On Talks With Russia

Reuters

VIENNA — The Russians and the Chechen separatist leader, Dzhokhar Dudayev, have agreed to direct talks in Grozny on Thursday to halt the fighting in Chechnya, a European security official said Monday.

The talks will be held under the auspices of the Organization for Security and Cooperation in Europe at its mission in the wrecked capital of Chechnya, the OSCE official said.

As I spoke about Israel's strength and accomplishments," the minister, Shulamit Aloni, said on Israeli radio Sunday, "a heavy man in black rose up with a hand cry and jumped on me. He punched me in the stomach."

The attack took place as Ms. Aloni was about to greet the parade's participants. Gideon Mark, the spokesman, said: "Some of the hoodheads who are opposed to the peace process began to boo her and wouldn't let her talk."

The minister was not deterred by the boos.

## EUROPE

## NATO Chief Buoyed By Belgian Results

## Claes's Socialists Gain in Vote

Reuters

BRUSSELS — The Flemish Socialists' surprisingly strong showing in Belgium's general election looks likely to ease pressures on the embattled secretary-general of the North Atlantic Treaty Organization, Willy Claes.

Analysts said Monday that Mr. Claes, who had faced calls to step down after he was linked to a corruption scandal surrounding the party, had been seen as a potential scapegoat for any electoral disaster.

"The most damaging thing he faced was pressure from his own party," an analyst said. "That will now end. It does not mean he is safe. More dirt may still come out, but he will not be under the same pressure from his party."

Last week, Mr. Claes told Belgium's highest court that he had had no involvement in the defense-contract scandal over the purchase of 46 helicopters from the Italian firm Agusta when he was economics minister in the late 1980s.

A few days later, four party officials, including Mr. Claes's former top aide at the time, were released from prison after being held for questioning for three months in connection with allegations that Agusta had paid kickbacks to the party.

The release was good news for Mr. Claes, who has consistently maintained his innocence but been unable to shake off the scandal and concentrate on his

NATO post, to which he was appointed in October.

Some analysts said that Belgium's election campaign had undermined his position still further.

The Socialists, fearing a catastrophe at the polls, had cast around for a senior figure to sacrifice and Mr. Claes had seemed one of the most likely victims.

With nearly all the votes counted from the election Sunday, Prime Minister Jean-Luc Dehaene's center-left coalition held a slim majority in the new lower house and the extreme right failed to make the predicted gains.

The Flemish Vlaams Blok, which had campaigned on a separatist, anti-immigrant ticket, appeared to have gained 1.2 percentage points to capture 7.8 percent of the vote.

"I'm happy to say there has not been a negative vote, but a positive vote," Mr. Dehaene said.

He submitted his government's resignation to the king on Monday, paving the way for what are usually long months of negotiations on a coalition.

Under Belgium's complex electoral procedure, the king usually appoints an *informateur*, a politician who takes soundings among the parties about a new coalition.

He then names a mediator, who, as happened in 1991, often becomes the prime minister.

## Dutch Voice Apprehension

BONN — Close ties between France and Germany in the European Union should not be allowed to overshadow bloc-wide cooperation, the Dutch prime minister, Wim Kok, said in an interview published Monday.

Germany and France see themselves as the twin "motors" of European integration.

"Close cooperation between Bonn and Paris is elementary for the EU," Mr. Kok told *Die Welt* newspaper before a visit to the Netherlands by Chancellor Helmut Kohl on Monday and Tuesday. "Should this power be abused, however, it would certainly prompt concern and irritation among other EU partners."

(Reuters)

## BRIEFLY EUROPE

## U.K. Road-Safety Call

LONDON — Britain's road crash victims and relatives urged harsher treatment Monday for drivers who cause injury or death and more help for the hurt or bereaved. (Reuters)

## Call to Amend EU Treaty

BRUSSELS — The European Union should consider amending its treaty to guarantee citizens tangible economic and social rights, the social affairs commissioner, Padraig Flynn, said Monday.

Mr. Flynn, in a speech that criticized member states for losing their "sense of common purpose" in the area of social policy, said that a new treaty would allow citizens to take direct legal action to secure new benefits.

"The hard reality," he said, "is that the preoccupations addressed in the present treaty have to a considerable extent already been met by existing legislation, and more importantly are increasingly not the real preoccupations of ordinary people."

(Reuters)

## Grant for Jordan Projects

AMMAN, Jordan — The EU has granted Jordan 20 million Ecuos (\$25.9 million), mainly for water projects in the Jordan River valley, the EU representative here said Monday.

The grant is earmarked to finance a water project aimed at channeling water from the Sea of Galilee in Israel to King Abdullah Canal in northwest Jordan. Israel pledged to provide Jordan with 50 million cubic meters annually from the Sea of Galilee under the two countries' peace treaty signed on Oct. 26. (AP)

## Calendar

European Union events scheduled for Tuesday:

BRUSSELS: Agriculture Commissioner Franz Fischler meets with the Irish agriculture minister, Ivan Yates.

BRUSSELS: Parliament committee on research, development, technology and energy holds a public hearing on Chernobyl.

BRUSSELS: The Transportation Commission will question the competition commissioner on the liberalization of postal services.

BRUSSELS: The monetary subcommission of the Parliament will meet the economic and monetary affairs commissioner, Yves-Thibault de Silguy, to discuss the "green paper" on the introduction of a common European currency.

Source: Agence Europe, AFP.

## East European War Games

BRUSSELS — NATO will hold 11 military exercises with its new East European partners this year to prepare forces for cooperation in peacekeeping and humanitarian operations, the alliance said Monday.

Five of the exercises will be held on the territory of former Soviet bloc nations.

The biggest maneuvers are scheduled for October in Denmark and the Baltic Sea. Codenamed Cooperative Jaguar, they will involve land, sea and air forces from NATO nations and at least five East European nations. (AP)

## EU Sets Loan for Ukraine

BRUSSELS — European Union finance ministers agreed Monday to let Ukraine have a loan

A couple outside the cylindrical new cathedral in Evry, a new suburb south of Paris.

## A Cathedral Breaks the Mold

## Squat Design — No Spires Here — Inspires Ridicule

By William Drozdiak  
Washington Post Service

EVRY, France — In a land where many places of worship are revered as towering Gothic masterpieces that took centuries to build and stand out as awe-inspiring testaments to enduring religious tradition, the Cathedral of the Resurrection here truly breaks the mold.

Unlike the soaring edifices at Reims, Beauvais or Chartres, France's first new cathedral in 150 years aroused such a furor when it was inaugurated in this Paris suburb last month that many critics characterized it as a monument to blasphemy rather than the beautiful vision claimed by its architect, Mario Botta of Switzerland.

The cylindrical red-brick structure rises 12 stories, is topped by a sloping glass roof and is surrounded by 24 lime trees, to symbolize Jesus's crown of thorns. Bricks — about a million — were used in the construction because the architect says, baked clay is "the most humble and basic material, representing earth and fire."

Mr. Botta, who also designed the Museum of Modern Art in San Francisco, said he did away with the traditional spire in his "post-antiquity" structure and opened up the roof to show the alliance between God and man through baptism.

But instead of peace and bliss, the cathedral has inspired angry fulminations. Critics have likened it to everything from a squashed birthday cake to a grain silo. The far-right publication *Présent* excoriated what it saw as a break from Catholic tradition, labeling it a "Masonic mausoleum." The satirical weekly *Le Canard Enchaîné* called it "Notre Dame of IKEA," after the low-cost home furnishings store.

Even Pope John Paul II, renowned for his traditionalism in many church matters, bestowed his blessing on the Evry project as a way to help "give meaning to the generations who will open the third millennium." Vatican

officials said the Pope hopes to visit the cathedral and consecrate it formally by 1996.

The fact that a new cathedral was built at all stands as a remarkable feat in modern France. Nearly all of the country's 90 cathedrals were built before the 1789 Revolution. Except during tourist season and days of worship, many of the cavernous monuments stand easily empty, a reflection of the growing secularization of French society.

Built in four years at a cost of \$13 million, the Evry cathedral can hold up to 1,400 worshippers and is equipped with stereo sound, a giant projection screen and electronic surveillance.

Bishop Herbulot and the local pastor, Alain Bobière, also drew criticism for using direct mail and other modern fund-raising techniques to raise most of the money from 180,000 private donors. They plastered posters along streets and mailed out tens of thousands of leaflets carrying the pitch: "Who can build a cathedral? YOU!"

Church organizations raised \$2 million more, and the national government chipped in \$1 million as a cultural subsidy to help build a museum of sacred art in the cathedral.

The state's contribution fueled more protests because of a 1905 law that forbids diversion of government money to churches, as part of the constitutional effort to maintain full separation between church and state.

Other critics suggested that the state's role was part of an effort to restore the Catholic Church's pre-eminence in a community where two synagogues and a mosque have sprung up in the last decade. Some of them insisted that if the state were going to become involved at all, the cathedral should be established as an ecumenical place where all faiths could worship.

But Father Bobière strongly disagreed, saying it was not practical to create "supermarkets of faith." He observed that the universal nature of the church has been represented by a crucifix from Tanzania, granite flooring from Brazil, mortar from Italy and bricks from Toulouse, in southern France.

The successful completion of Evry cathedral has spurred other church fund-raising projects to renovate dilapidated places of worship. Four cathedrals are being restored in the Paris region, and there is talk of building new ones in communities that lack a proper place to worship.

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JULY 10, 1995

# International Herald Tribune

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## Diplomacy Is Not Enough

The United States and its partners in Yugoslavia diplomacy are sweetening the terms they offer Serbia's Slobodan Milošević to induce him to squeeze tighter the intransigent Bosnian Serbs. He would have to recognize Muslim-led Bosnia's borders — a sharp slap at Bosnian Serb secession aims — and in return he would escape faster some of the sanctions punishing his economy. The effort is stomach-turning: Mr. Milošević as much as anyone brought on Yugoslavia's agony. There must be limits on what he should get for doing something in his plain self-interest.

Anyway, this bit of desperation diplomacy is not enough. The Bosnian Serbs not only refuse to negotiate return of any part of their territorial conquests; they are killing civilians again, having renewed the siege of Sarajevo, a city of multicultural tolerance that they promise to capture and convert into ethnic ghettos. The Serbs are not the only marauders: The Muslim-led government's forces have recently burned Serb houses. But the Serbs are the main marauders and necessarily the prime target of international pressures.

The immediate requirement is to stop the Bosnian Serbs from using United Nations peacekeepers as hostages. This happens each time the UN military com-

mander asks for NATO air retaliation against Serb depredations: The UN political representative, Yasushi Akashi, says no, arguing that air strikes would only provoke new attacks on the peacekeepers. This farce must end. It is time to remove the peacekeepers if that is what will stop their safety from being an excuse for allied inaction. This will risk creation of a humanitarian crisis. A stopgap solution will have to be found.

Don't "strike," some say; instead "lift" the international embargo on sending arms to the Muslims. Senator Bob Dole says he means to introduce legislation compelling the United States to lift on its own. But the Muslims are getting arms elsewhere. The strike option is better. It is rooted in numerous UN resolutions and needs no further authorization. It represents a collective decision and does not isolate the United States from its partners as the Dole proposal would. It could be directed at specific missions, such as relieving Sarajevo. It could be done by forces already on the scene. It could begin the minute the peacekeepers got out of the way, if not this afternoon. It could send the Bosnian Serbs the message of limits they have otherwise arrogantly refused to heed.

— *THE WASHINGTON POST.*

## Cleaning House at the CIA

After years of anemic and lenient leadership, the CIA must be stunned by John Deutch. Since taking office earlier this month, the new director of central intelligence has cleared out the upper echelons of agency management and set a new tone of responsibility and accountability.

His first action was the appointment of a strong team of outsiders to help revitalize the demoralized agency. Unlike most of his predecessors, Mr. Deutch, the former U.S. deputy secretary of defense, wisely rejected the agency nostrum that only experienced intelligence executives can understand and run the CIA.

Directors who accepted that fiction, like Mr. Deutch's predecessor, James Woolsey, quickly became captive to the agency's stale traditions and inbred culture.

Mr. Deutch's choice for deputy director is George Tenet, formerly staff director of the Senate intelligence committee. His appointment is a clear signal that Mr. Deutch intends to deliver on his commitment to consult closely with Congress, not a tradition at the agency.

Nora Slatkin, a forceful, sometimes abrasive assistant navy secretary, will take over as executive director, the agency's third-ranking post. She will need all the experience she acquired as the navy's highest-ranking woman to tear down the insular world of the CIA, which has a dismal record in the promotion of women and minorities.

Dennis Boxx, brought from the Pentagon to handle CIA public affairs, inherits a legacy of disinformation and secrecy that will not yield easily to Mr.

Mr. Deutch has yet to say much about reorganization of the CIA and the government's other intelligence agencies, which he also supervises. They have lacked a clear purpose since the collapse of the Soviet Union, while still managing to consume about \$28 billion a year. Neither the inertia nor the level of spending are acceptable at a time when severe budget cuts loom in domestic programs.

As Mr. Deutch begins work, an independent commission, which was headed by former Defense Secretary Les Aspin until his death Sunday, is reviewing the intelligence agencies. The ultimate test for Mr. Deutch and the commission, and eventually for President Bill Clinton and Congress, is whether they merely tinker with the established order or make the complete overhaul that is urgently needed.

— *THE NEW YORK TIMES.*

## Remember 'Main Street'

For the first time in U.S. history, the short stretch of Pennsylvania Avenue in front of the White House known as "America's Main Street" has been made off-limits to traffic. President Bill Clinton said his decision to close the avenue was "practical" and a "responsible security step necessary to preserve our freedom, not part of a long-term restriction on our freedom." But the closing, as we understand it, is permanent and, like it or not, a concession to terrorism. It is a sad commentary on our times.

We in Washington will soon know if the predictions of a traffic nightmare on surrounding streets will come true. Police, fire and traffic experts have been scrambling to devise plans to prevent the heart of downtown Washington from becoming a parking lot. In addition to streets being closed and bus routes being revised, plans are on the drawing board to change street traffic patterns if circumstances warrant such drastic steps.

Commuters, city residents and tourists have much to cope with in the weeks ahead. In speaking of Pennsylvania Ave-

— *THE WASHINGTON POST.*

## Other Comment

### Beijing Flexes Its Muscle

Strategists count a number of potential flash points in Asia. The Spratly Islands may be moving toward the top of the list. Three years ago China promised to settle competing claims to the Spratly's by negotiations. Its recent behavior calls that agreement into question. Most compellingly, it has shown others in East Asia that it is ready and capable of asserting itself as an active —

indeed, as the dominant — regional power. The United States, along with the European Union, has called for a peaceful resolution of the Spratly's dispute. What seems more likely is that China will use strength of arms to seize even more of the territory. An East Asia that has long feared it might face a militarily revived Japan is slowly being made aware of what the more likely military threat in the region is.

— *Los Angeles Times.*

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92571 Neuilly-sur-Seine, France. Tel: (33) 1 41 32 93 10. Fax: (33) 1 41 32 92 12. Internet: [HDT@wanadoo.fr](http://www.heraldtribune.com)

Editor in Chief: Michael Richardson, 5 Cavendish Rd, Sington, 0511. Tel: (44) 427 704. Fax: (44) 427 2464

Managing Director: Michael Richardson, 5 Cavendish Rd, Sington, 0511. Tel: (44) 427 704. Fax: (44) 427 2464

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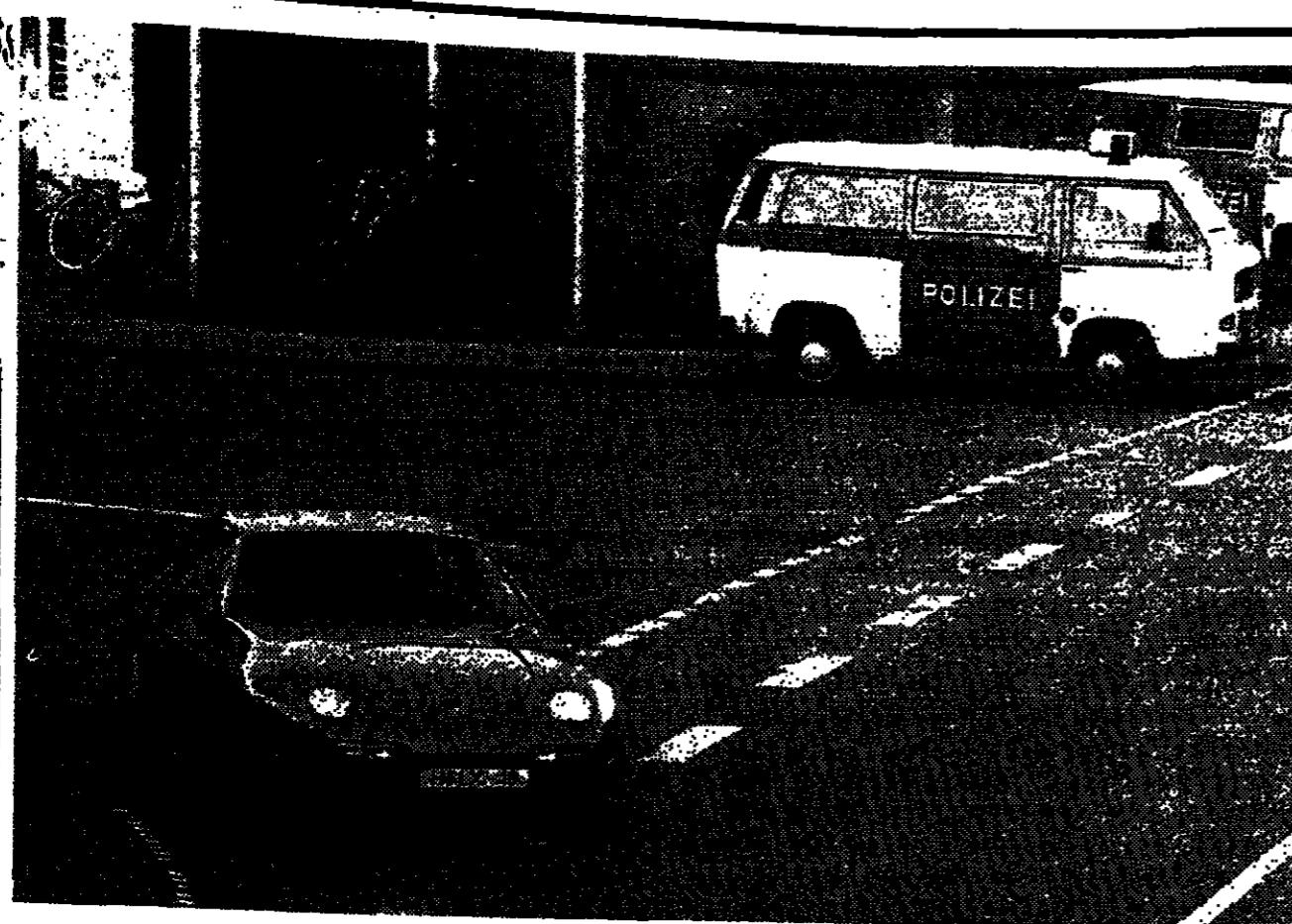
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## EUROPE



Police vans standing by in Celle as two German prison escapees and a guard they took hostage passed in a car. (Michael Probst/The Associated Press)

## 2 Flee German Prison With a Hostage

Compiled by Our Staff From Dispatches

BONN — A guard taken hostage by two prison escapees pleaded with the police Monday to stop pursuing them as they crossed northern Germany in a Porsche.

"A helicopter keeps circling over us. The police have to go!" the captive told Germany's N-TV television network in an interview over the Porsche's mobile telephone. Police cars were also tailing the fugitives.

The escapees said they would release their hostage if the police called off the chase.

"As soon as the helicopters are gone and we feel safe we will let our hostage go," one of the convicts, Günther Finneisen, 37, told N-TV.

The police issued a warning to the public to stay away from the men, whom they said were armed, "dangerous and

infected HIV, the virus that causes AIDS.

Mr. Finneisen and Peter Strüdinger, 38, overpowered a guard at their prison in Celle, near Hannover, on Sunday, using weapons they had made themselves. They took the guard, 35, hostage and demanded a Porsche.

The convicts, who had been in jail since 1979, also demanded 200,000 Deutsche marks (\$140,000) in cash, but the police did not say whether they got the money.

Mr. Finneisen told N-TV that he and Mr. Strüdinger were armed and that he had no intention of returning to prison.

"I'd rather be killed by a bullet than die slowly behind walls," he said.

He said they had been driving all night, stopping on the highway for fuel and food. (AP, Reuters)

Mr. Strüdinger was jailed for attempted manslaughter in 1979. Mr. Finneisen was being held for robbery and fraud.

Germany sees itself as less crime-ridden than the United States, but hostage dramas have become more frequent in recent years. In November, two escaped convicts robbed a bank, grabbed hostages and led the police through six German states before they were caught. In 1988, two teenage hostages were killed by bank robbers who hijacked a bus to the Netherlands.

This latest episode is like an escape pulled off by Mr. Strüdinger 11 years ago to the day at the same prison. On May 21, 1984, he used a homemade shotgun to overwhelm a guard. He and another prisoner were permitted to flee in a getaway car and were arrested the next day in Bremen.

(AP, Reuters)

## Pope Questions Poland's Moral Path

Reuters

SKOCZOW, Poland — Pope John Paul II, making a pastoral visit home, said Monday that Poles were "alleviated" that "sparks of their post-Communist freedom to be eroded by moral decay."

"I embrace my entire homeland with the eyes of my soul," the Pope, 75, told 250,000 Poles attending an outdoor Mass in this town in southwest Poland, the area in which he was born and served as priest and bishop.

But he wasted no time in declaring that he was worried about the course the country was taking six years after casting off communism.

"Newfound freedom has awakened many good initiatives in the nation," the Pope, whose previous visits helped shape the history of the country, told the largest crowd he has drawn during his trip through Eastern Europe.

But, he added, "Our homeland is facing many difficult social, economic and political problems."

He said the transformation of Poland's society and economy had incurred high costs, including unemployment and economic hardships for families.

"The most important of all, however, remains the problem of a just moral order, which is the foundation of every individual's life and the life of every society," he said.

As he spoke on a cold and damp day, the crowd waved Polish flags and banners of the Solidarity trade union, which had fought the Communists.

His tough language echoed that of his earlier trips, when he injected Poles with the courage to resist party leaders.

## German Court To Issue Decision On Spy Sentences

Reuters

BONN — Germany's Federal Constitutional Court in Karlsruhe is expected to issue a long-awaited ruling Tuesday on whether East German spies can be jailed for Cold War espionage against West Germany before unification in 1990.

The court will decide whether senior East German spies, their Communist state now absorbed by its former capitalist adversary, can legally be tried for betraying a country of which they were not citizens.

Apart from the legendary spy Markus Wolf, who ran Eastern Europe's most efficient espionage machine for decades, the ruling could affect dozens of other former Communist intelligence officials tried for treason since unification. It comes four years after the court was first asked to rule on the status of East German agents, who spied state secrets from the West.

While the Pope remains widely admired in Poland, the Roman Catholic Church has become a focus of debate.

"Old guard" members of the governing coalition, which is led by former Communists, say the church has been stepping outside its bounds by increasing its presence in schools and the army and by securing a tough abortion law.

Parliament is delaying ratification of a concordat between Poland and the Vatican signed by an earlier government.

Some leftists say the treaty, which granted the church some privileges while giving the Polish state some influence over church affairs, should be renegotiated or scrapped. There is also fierce debate on how a new constitution, now being drafted, should define the church's role.

The Pope discussed what Polish bishops say is mounting anti-clericalism in the country, denouncing what he called a tendency to push believers to society's sidelines.

Religion, the Pope said, could not be excluded from a major role in helping to shape society's sidelines.

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Magistrates New Step in French Blood Case  
Vow to Keep Pressure on Berlusconi

The Associated Press

PARIS — The chairman of the French automaker Renault has been indicted in the long-running investigation of government responsibility for AIDS-tainted blood, Renault said Monday.

Louis Schweitzer, head of the automaker since 1992, was chief of staff to Laurent Fabius, then prime minister, in 1985 when blood contaminated with HIV was knowingly distributed through state-run blood banks. More than 1,200 hemophiliacs were infected with the virus, which causes AIDS, and more than 400 have died.

Mr. Fabius, his former health minister, Edmond Hervé, and his former social affairs minister, Georgina Dufoix, were indicted last year for complicity in poisoning. No decision has been made about when a trial might start. The charges could bring a 30-year prison sentence.

A brief communiqué from Renault quoted Mr. Schweitzer, 53, as saying, "I hope that justice and the truth will emerge from the judicial procedure under way."

The decision to charge the former government officials followed two years of campaigning by hemophiliacs and their families seeking government accountability.

Four former health officials, including Michel Garret, the doctor who headed the National Center for Blood Transfusion in 1985, were convicted on other charges. Dr. Garret was released last week after serving more than half of his four-year sentence.

The victims maintained that the Fabius government chose not to purchase U.S. technology to cleanse the tainted blood or to buy an Ameri-

can AIDS test to screen blood donors. A French test was being developed at the time.

Mr. Fabius, prime minister from 1984 to 1986, said he had made the necessary decisions about blood screening as rapidly as possible, "at a time when the disease was underestimated."

The scandal arose from revelations that blood products contaminated with HIV were knowingly administered to hemophiliacs in 1985 by the blood transfusion center.

The former ministers say their likely prosecution will allow them a chance to clear their names and prove that they never knowingly approved the use of tainted blood.

Mr. Schweitzer's great-uncle was Albert Schweitzer, the famed medical missionary.

## ■ Minister's Firing Urged

The militant AIDS awareness group Act-Up urged President Jacques Chirac on Monday to dismiss the newly appointed health minister, Elisabeth Hubert, saying she had a prejudice against homosexuals. Reuters reported from Paris.

Act-Up, known for spectacular protests accusing the government of indifference to AIDS sufferers, urged President Jacques Chirac in a half-page advertisement in the daily Libération to fire Ms. Hubert, Education Minister François Bayrou and Xavier Emmanuelli, secretary of state for Emergency Humanitarian Action.

"Act-Up Paris has met often with Ms. Hubert and we know she is in favor of compulsory AIDS testing, we know she refuses welfare protection for the children of foreigners and we know that she is homophobic," the group said.

## Renewed Sarajevo Strife Kills 3

Reuters

SARAJEVO — Three people died and four were wounded in shelling and sniping in Sarajevo on Monday and Bosnian Serbs seized weapons from a United Nations arms depot in the Bosnian capital.

The Serbs took a 120mm mortar and a 105mm artillery piece at gunpoint and threatened a French unit that tried to stop them, a UN spokesman said.

The weapons dump was one of several established last year after the United Nations banned big guns from a 20-kilometer (12-mile) radius of the center of Sarajevo. The zone has been breached in recent weeks with increasing frequency, both by Bosnian government troops and the besieging Serbs.

Mr. Berlusconi confirmed Saturday that the Borrelli team was seeking to bring him to trial, but he claimed they had no evidence, only a "trail of political and personal prejudice."

He says he knew nothing about payments that corrupt officers coerced the companies into giving, totaling \$200,000.

Fighting was reported in several areas of Bosnia as well as in Sarajevo, where the level of sniping has forced the rebuild-

## International Recruitment

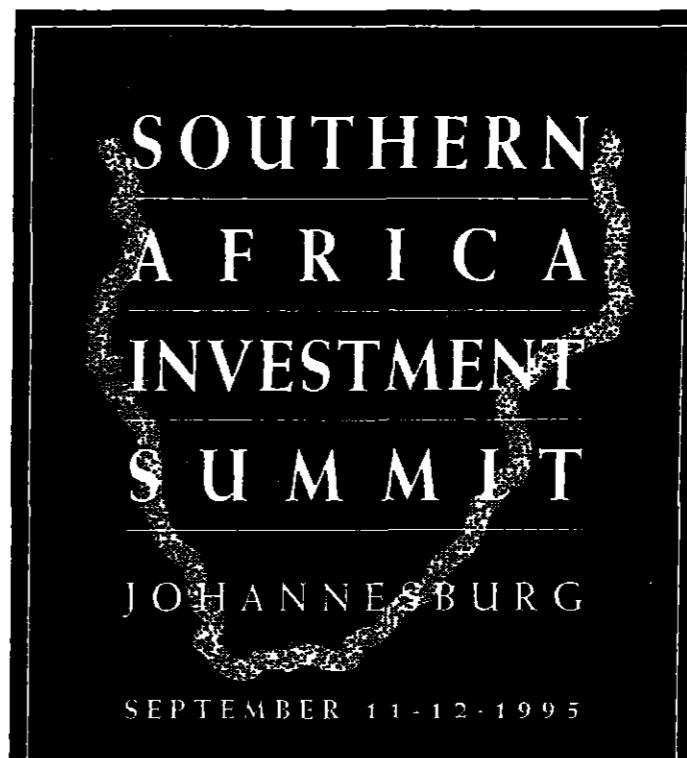
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or your nearest IHT office or representative

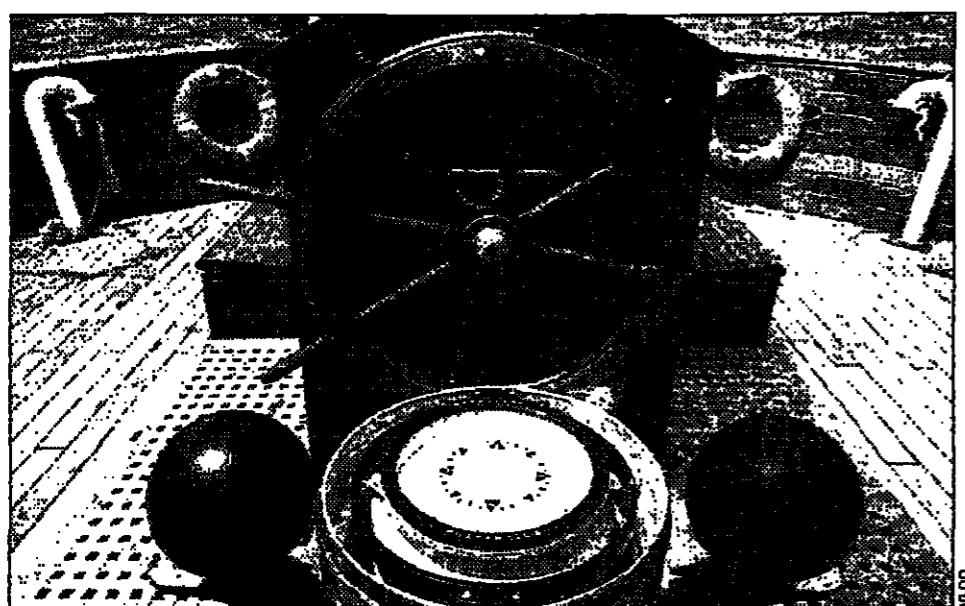


The International Herald Tribune and the European Federation of Financial Analysts' Societies have gathered a distinguished group of government, business and finance leaders to address this high level meeting focusing on trade and investment opportunities in Southern Africa. They include:

- NELSON MANDELA, President of South Africa
- H.E. SIR KETUMILE MASIRE, President of Botswana and President of the Southern African Development Community
- ARISTON CHAMBATI, Chairman and Chief Executive, TA Holdings
- SOL KERZNER, Chairman, Sun International
- CHRIS LIEBENBERG, Minister of Finance, South Africa
- CRAHAN MACKAY, Chief Operating Executive, South African Breweries
- DR. JOHN MAREE, Chairman, Eskom
- DR. BINGU MUTHARIKA, Secretary General, COMESA
- JAY NAIDOO, Minister without Portfolio with Responsibility for the RDP, South Africa
- RONALD PENZA, Minister of Finance, Zambia
- CHRIS STALS, Governor, Reserve Bank of South Africa
- LL TSUMBA, Governor, Reserve Bank of Zimbabwe

For further information please contact: Fiona Cowan, International Herald Tribune, 63 Long Acre, London WC2E 9IH. Telephone: (44 171) 836 4802 Facsimile: (44 171) 836 0717

Herald Tribune  
THE WORLD'S DAILY NEWSPAPER



# YACHTING

## SMOOTH SAILING AHEAD: YACHTING COMES OF AGE

*From brokerage to boatyards, every aspect of yachting is picking up.*

**I**nternational yachting has been riding a crest of increasing demand over the past few years, despite world recessionary trends that seem only now to be dissipating.

While yachting remains one of the last great touristic escapes for people who value independence, it is becoming more and more mingled with professional activities as the affluent or near-affluent entertain on their own yachts for business reasons.

With the changing character of yachting and increasing demand, this once cottage industry has matured into a vastly more competitive sector. Smaller companies like the 900 members that form the Netherlands' dynamic National Association of Watersport Industries (HISWA) are linking up to produce better economies of scale and increase competitiveness, and they have aggressive marketing programs.

This maturing has reached down through the industry, from brokerage and advertising to boatyards and even parts suppliers.

### Specialization

Specialized companies have sprung up to service deepening demand. Owners of the private luxury yachts that predominate in the South of France, for instance, can turn over the day-to-day management of their boats to expert companies like Côte d'Azur Management Yachting.

For people who do not own yachts, increasingly well-organized yacht charterers like Silversea Cruises

organize all-inclusive yachting holidays on small bareboat yachts or large-crew yachts with luxurious amenities. Yachting itself represents one of the world's oldest pleasure pastimes.

Testimony to this is the America's Cup, spawned in 1851 when the schooner "America" defeated the British fleet in the historic 100 Guinea Cup around the Isle of Wight.

Caretaker of the oldest sporting trophy in the world, America's Cup began its final this year on May 6, pitting the New Zealand team against the American team. Swiss watchmaker Omega, Team New Zealand's offi-

### **Yachting is one of the world's oldest pleasure pastimes**

cial watch supplier and official timekeeper of the world's most famous regatta, predicted that the big prize would go to hard-working Team New Zealand, which scored a stunning 5-0 sweep in the finals to win yachting's grandest prize.

**I**ndustry-wide growth

Experts in the field say that demand for new private super-yachts, luxury yachts more than 20 meters long, has been increasing faster than the boatyards' capacity to fill orders.

After slack years in 1991 and 1992 due to the Gulf conflict, yacht chartering reached record highs in 1994, particularly in the Mediterranean.

The division between the yacht building and the yacht chartering businesses is essentially between north and south. Most of the world's yacht construction is in Northern Europe and the United States, while the bulk of yacht chartering occurs along the northern Mediterranean and in U.S. and Caribbean waters, according to the leading publication in the field, the London-based Wood Report.

**S**uper-yachts

There are probably 13 million live-aboard engine- or sail-powered private yachts

in the world today, with 10 million of these in the United States alone, according to the Wood Report. Of these, about 2,500 are in the super-yacht category, and the vast majority of them are motor yachts.

About 100 of these new luxury yachts, costing an average of \$6.5 million each, leave boatyards every year. Around 190 used super yachts are resold every year for a total value of \$320 million.

While now on the fringes of fiscal, construction and safety regulations, particularly in Europe, yacht ownership over the next five years will lose many of its traditional tax privileges and face possibly stricter and more standardized regulations, writes Pierre Mestre, vice president of the Mediterranean Institute of Maritime Transport.

**A**ctive holidays

The picture for the business of renting or chartering yachts is also in a state of flux. In Greece, for instance, chartering plummeted when the Gulf War seemed to place holiday costs in peril.

But the natural increase in demand for active holidays like yachting resulted in 18,000 charters in Greece in 1994, a 15 percent increase over 1993 and a nearly 100 percent increase over 1991, according to Michael Skouloudis, managing director of Athens-based Venericos Yachts and president of the Greek Yacht Brokers and Consultants Organization. He says that the lion's share of European bareboat yacht chartering is in Greece, which rents out some 4,000 yachts every summer. European luxury-yacht charters, however, are mainly around the Côte d'Azur, which has about 250 super-yachts renting out for about \$5,000 a day for an average of 14 to 49 days a year and generating a total annual income of \$17 million to \$60 million. Marinas all along the northern Mediterranean rim have mushroomed since the early 1980s. For every aspect of global yachting, the trend upward is expected to continue. Across the industry, growth has become the norm.

**S**tate-of-the-art systems

Piracy, formerly a common hazard on many seas, is strongly discouraged by state-of-the-art surveillance cameras, now a prerequisite on the super-yacht. Cameras are linked to main security systems and include in-hull 360-degree swivel cameras focusing up to 100 feet (30 meters) underwater.

**S**atellite communications are so up-to-date that even when cruising in the middle of the Pacific, business ex-

ecutives can contact the office as if they were next door, and the cost of doing so has dropped dramatically.

In addition, radar and other navigational aids are as sophisticated as those found in modern warships. Sophistication does not stop there. Most super-yachts are equipped with

and cons of new destinations. While there is undoubtedly still much excitement to be found in visiting the familiar haunts of the Mediterranean or the enjoyable cruising grounds of the Caribbean, there are now an extraordinary number of quality yachts available for charter in unusual places.

joy the best in lobster dining.

Much farther south, the tropics of Belize offer a quiet soak in the sun. This tiny country boasts the second-largest barrier reef in the world, with spectacular diving and equally spectacular rain forests.

The east coast of Mexico offers everything from

Yucatan resort

These pristine islands – all 125 of them – are pure paradise. It is a true get-away-from-it-all place with blissfully little to do except unwind.

Sailing across the Indian Ocean from the Seychelles toward the east coast of Africa, sailors stumble on the island of Aldabra, the

## SEARCHING FOR PARADISE, FAR AWAY FROM IT ALL

*Exotic destinations are much in demand: the Seychelles islands are high on most travelers' lists this year.*

**A** yacht charter offers comfort, flexibility, freedom, privacy and, above all, great value for money. The industry has always said that yacht charter is the ultimate vacation, and it is now increasingly accessible – particularly in the large-yacht range, complete with five-star crew – to the "ordinary person."

Until very recently, large yachts tended to stay near the world's yachting centers, like Cannes in the south of France or Fort Lauderdale in Florida.

These traditional charter areas are being upstaged by new destinations, partly because the more adventurous travelers – and the cognoscenti – are venturing from familiar areas to more exotic locations for their vacations, and partly because of the impressive strides made in yacht technology and design.

Today, the technologically advanced super-yacht can cover long distances in comfort, speed and safety.

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Sailing across the Indian Ocean from the Seychelles toward the east coast of Africa, sailors stumble on the island of Aldabra, the

water makers that can produce fresh water constantly, as well as walk-in freezers and refrigerators that supply quality provisions for weeks on end. (Naturally, whenever a chef can benefit from produce in local markets, he will.)

In addition, wine "cellars" are fully stocked with wines kept at just the right temperature. Yachts today take a lot more fuel on board than they used to, and they also carry a good stock of items that might be required for necessary repairs.

### Word of mouth

As captain, crew and guests explore new areas, their discoveries are passed on. Word-of-mouth opinions inform yacht owners, captains and charterers about the pros

and cons of new destinations.

Those who are tired of the

"been there, done that,

bought the T-shirt" syndrome and even those who

just want to get away from it

all will find these alternative locations immensely appealing.

One alternative is a summer cruise in Alaska. Apparently the best way to view

the photogenic landscape of

the blue and wintry Glacier

Bay – with its myriad animals, ranging from harbor seals to whales – is from the water.

An autumn cruise along

the northeastern U.S. shore

is another possibility. One

could start with shopping in

Manhattan, followed by a

weekend on Nantucket Island and then a sail up to

New England to watch the

leaves change color and en-

joy the best in lobster dining.

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Sailing across the Indian Ocean from the Seychelles toward the east coast of Africa, sailors stumble on the island of Aldabra, the

world's largest coral atoll and an ecological wonderland.

Nine people live here among countless species of

sea birds and at least 16,000 giant tortoises.

As one glossy yacht charter brochure reads: "Last year, tens of thousands of camera-toting tourists stomped through the Galapagos Islands; less than 300 stepped ashore on the Island of Aldabra."

Recently, large international yacht charter brokers (such as Camper & Nicholsons, Yachting Partners International, and Nigel Burgess Ltd.) have been actively promoting these exotic locations. The demand for them is there, and now the yachts are available, too.

**Sara Montefiore**

**Thousands of islands**

For the more adventurous,

there is always a cruise up

the Amazon, where one can

view the most primitive of

lands from the comfort of an air-conditioned saloon.

Polynesia offers so much

that voyagers need to be se-

lective about their itinerary.

The South Seas are incredi-

bly vast, encompassing

thousands of islands, from

the kingdom of Tonga in the

west to the Marquesas in

French Polynesia to tiny Pit-

cain Island, one of history's

stranger places.

**This year's hot spot**

The hot spot this year, though, is the Seychelles.

**Sara Montefiore**

"YACHTING" was produced in its entirety by the Advertising Department of the International Herald Tribune.

**WRITERS:** Claudia B. Flisi in Monaco, Sara Montefiore in London, Carol Reed in Athens.

**PROGRAM DIRECTOR:** Bill Maher.

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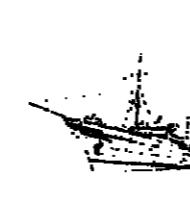
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## Seized by the 'Four Fears,' Which Way Will China Go?

By William Safire

**WASHINGTON** — The television series soaring in popularity in China is about the exploits of the *Bao Qing Tien*, a magistrate of the Song Dynasty. This legendary judge of a thousand years ago is shown dispensing evenhanded justice, punishing wrongdoers and exposing lawless government officials. The TV series is produced in Taiwan but can be seen in mainland China because it seems to be politically noncontroversial.

What makes the show such a hit, however, is its implicit criticism of corruption on high. Such kickback economics is rampant in China,

**The post-Deng convolution will determine whether China heads toward democratic stability or an eventual civil war.**

making millionaires out of relatives of Communist leaders, Deng Xiaoping's son famously included.

That is one tea leaf in the reading of the rising tide of popular resentment in the world's most populous nation. China today is showing all the signs of being on the brink of a major upheaval.

On the eve of the sixth anniversary of the repression of freedom in Beijing's Tiansanmen Square, long-time dissidents are being rounded up; scholarly signers of petitions for reform are being harassed and jailed; designated "troublemakers" from all over China are being denied entry to the capital.

As Deng Xiaoping prepares to "meet Marx," the sclerotic regime he leaves behind — embracing the dangerous excesses of capitalism without its saving freedoms — is left to face the "four fears."

First is the average Chinese consumer's fear of being robbed by inflation, now over 20 percent — which means that half of what he saves disappears after four years. The economic chief, Zin Rongji, once a reformer who Richard Nixon thought might become the savior of China, has reverted to regulation, central control and protection of state-owned defense monopolies.

Second is the workers' fear of growing underemployment — communists' a secret — especially away from the prosperous coast. Some workers are given

and driving down wages, worsening inflation's impact.

Third is fear of the anger of farmers, their land encroached on by industrialists, who now prefer to sell to local entities and black markets rather than to Beijing's state purchasers. As in pre-revolutionary days, food shortages loom.

Finally, there is the well-founded fear in Beijing of some expression of the people's disgust at pervasive corruption. That explains not just the popularity of a Song Dynasty *Perry Mason*, but the willingness of Mr. Deng's hand-picked successor to crack down on a ring of grafters in Beijing's city government who make Tannan's Boss Tweed look like an innocent.

In the sincere syntax of Sinology, President Jiang Zemin's arrest of the head of the Communist Party in Beijing — a man who was promoted to the Politburo for his brutality in crushing the Tiananmen demonstration — is perceived as a way for the transitional Jiang to gently dissociate himself from Mr. Deng's increasingly hated hard-liners.

Too many Americans fall for subjective interpretations of maneuvering in the Forbidden City as if it were comparable to jockeying for leadership in the Republican Party.

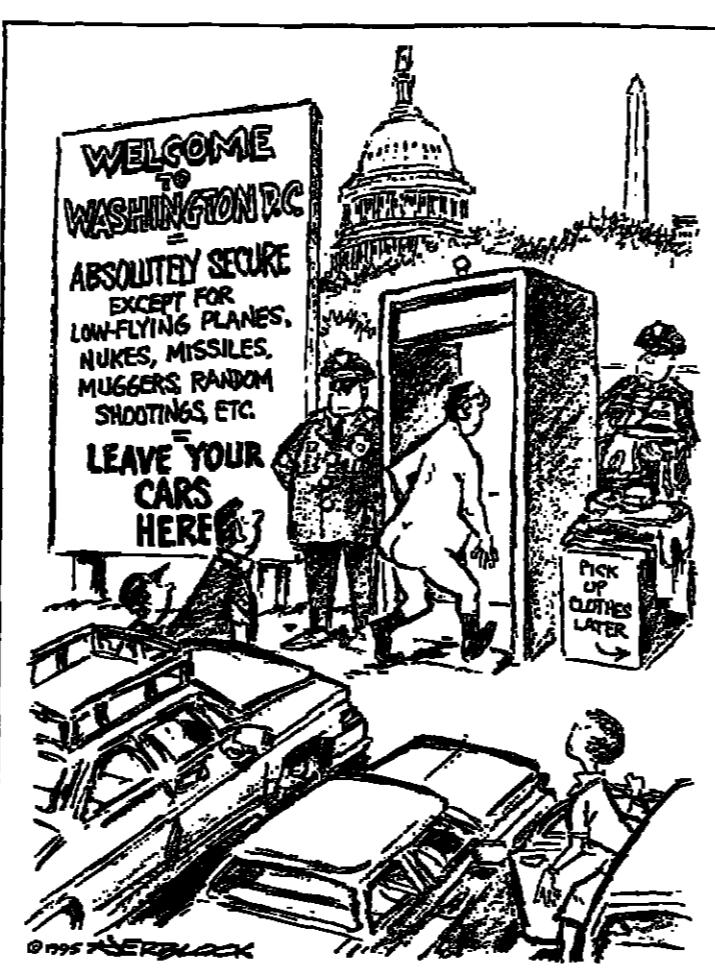
Forget that inside Ping-Pong, because the stakes are of a different magnitude: The after-Deng convolution will determine whether a billion-plus people will progress toward democratic stability — or regress to the rigid totalitarianism that would lead to civil war within a nuclear power. That's why in America should be more actively on the side of the dissident scholars and students, publicizing their arrests, demanding their release, embarrassing their harassers.

That's why we should identify ourselves with courageous workers like the electrician Wei Jingcheng, jailed 15 years ago for wall posters protesting corruption, now held incommunicado lest his voice reach a new generation of workers. (A Nobel prize would help.)

That's why Americans should align ourselves with Asian decentralized democracy, protesting human rights abuses in Tibet; welcoming official visitors from Taiwan; using our market muscle to encourage free enterprise.

The "four fears" may produce brittle dictators or leaders not fearful of freedom. We should know who to root for and be willing to use what influence we have.

*The New York Times*



### Prosecute the Criminals

The analysis of the war in the former Yugoslavia put forward by Flora Lewis in "Ex-Yugoslavia: Seek Compromise and Stop Faking" (Opinion, May 19) is both accurate and depressing. What is surprising, and in my view unacceptable, is her statement that "there are two ways to end war, and they don't involve justice."

The history of conflict has shown, particularly in recent years, that political compromise that contains no element of the pursuit of justice can only produce temporary cessations of fighting which contain no seeds of peace. It is clear that the current efforts to negotiate an end to the conflict in ex-Yugoslavia will fail. The International Criminal Tribunal established by the UN Security Council and based in The Hague should be given the opportunity and the resources to carry out its mandate. Once it is accepted that war criminals will be prosecuted there will be a very strong deterrent to committing these crimes and an equally strong incentive for peace.

K. J. LYONETTE,  
Givins, Switzerland.

### Regarding "Allowing Crime to Pay" (Other Comment, May 9):

I wish to applaud the Neue Zürcher Zeitung for reminding America, the European Union and the United Nations of their part in the carnage in the Yugoslav war. After three years of permitting aggression and the breaking of international laws, their leaders' fine words of moral inspiration ring cynical indeed. Now we all have learned that you can get away with murder.

LEONORE SUHL,  
Portugal.

### India and Kashmir

#### Regarding "From Ashes in Kashmir" (Opinion, May 17):

The burning of Sheikh Noorudin Wali's shrine was a tragic incident that could have been avoided. Indian politicians must realize that Kashmir cannot be ruled by force forever, and the Indian taxpayer must understand that he is being asked to pay for a ride with the enormous cost of army operations there. A plebiscite or referendum on the issue of independence is the logical and economical way out. It will also offer the Indian government a democratic means of saving face. The money thus saved can be used to relocate families that do not want to live in post-referendum Kashmir.

GAUTHAM VENKATA-CHALAM,  
Paris.

### 'Old Soviet Documents'

Regarding the report "A New View of U.S.-Soviet Spy Links" (April 13) and "These Old Soviet Documents Will Hardly Console the Soviet Archives on the Hiss Case."

General Volkogonov, searching for evidence that he had been an agent for the Soviet Union in the 1930s, found records of Mr. Hiss's official diplomatic contacts but none on the case, and reached the firm conclusion that Mr. Hiss's conviction was a result of false information or judicial error and the Cold War. General Volkogonov said that he had talked

wilderness, wandering from one dead-end job to the next, before at age 37 she went to law school. Today, she shakes her head when asked if she will become a judge. "That would be directly upholding the bureaucracy," she says. "As a child of the '60s I just can't do that."

Twenty years ago the North Vietnamese entered what was then known as Saigon, bringing that conflict to a close. However, the remarkable outburst of anger and anguish released by Robert McNamara's admission that American involvement in the fighting was pointless but one sign of how deep and how fresh the psychic wounds remain.

On this anniversary, the focus has been on my generation, combatants as well as nonbattlefield combatants. What time has truly borne out is the broad range of the war's impact. At the Vietnam War Memorial in Washington, one of the most moving monuments to human destruction, the high sheen of the granite reflects the visitors' images: multiracial, rich and poor, young and old. The perfect metaphor. We were all touched, and hurt, one way or another.

The writer is a news assistant in the New York Times Miami bureau. She contributed this comment to the International Herald Tribune.

## LETTERS TO THE EDITOR

American Left (Opinion, April 20) by George F. Will:

Careful readers will have noted that those "old Soviet documents" do not implicate the American diplomat Alger Hiss. Rather, they confirm the report in 1992 by General Dmitri Antonovich Volkogonov, military adviser to President Boris Yeltsin and chief of the Soviet KGB and military intelligence archives, that he could find no evidence that Mr. Hiss was ever an agent of the Soviet intelligence services.

Mr. Nixon evidently harbored late doubts of Alger Hiss's guilt. More ideological Cold Warriors like George Will, however, still cannot comprehend that Mr. Hiss is America's Dreyfus, yet another innocent victim of the prevailing passions of the time.

JOHN LOWENTHAL,  
London.

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## BOOKS

### WHAT THEY'RE READING

• Baz Bamigbade, a London showbiz columnist who also reviews movies on British television, is reading "Trainspotting" and "Achilles," both written by Irvine Welsh.

These are savagely funny books about low-life sex, drugs and rock 'n' roll in north London and Edinburgh, with all the dark humor you get in Quentin Tarantino and John Carroll.

(John Brunton, IHT)



debt, and a conscientious family man who puts up with Kit's continuously arriving sisters fresh off the boat.

Two dark events begin a year of tribulation for Tim. A young woman has been mysteriously savaged and killed, and a zealous constable carries her severed head around in a jar, hoping that some citizen will be able to identify her. No one knows who she is, but the lawman will not give up. Tim, seeing this death's head floating in formaldehyde, is horrified. In this town full of complacent tradesmen, there dwells at least one pervert whose pleasure it is to kill and maim. This vision of evil haunts Tim.

Then, early in the book, Tim is one of the first to discover a ghastly accident: a horse-drawn buggy has overturned, killing the driver and leaving two children orphaned. Someone takes in the boy, and for a while Tim and Kit shelter a spooky little kid called Lucy, who has a penchant for climbing into dangerous places and taking their own son with her. When, finally, they place Lucy in a convent to be cared for by nuns, Lucy still exerts a scary influence. Something about the town is not safe anymore. About this time, Tim's business begins to drop off drastically.

Some parts of this novel work better than others. Some characters, especially Bandy Habash, a complex Muslim much loathed and misunderstood by the community, seem plunked down in the narrative for the convenience of the author. But other set pieces bring to us another world: The journey upriver so that the whole village can picnic and play cricket is amazing. And the children dancing along precarious cliffs, flirting with the raging ocean below, remind the reader that in gorgeous Australia 200 years ago there were children who leap off cliffs to their deaths rather than go on living unbearable lives. Australia, the working man's Paradise, had its underside of hell, and that's what Tom Keneally shows us in this stately, detailed book.

Carolyn See reviews book regularly for The Washington Post.

## CHESS

By Robert Byrne

**A**NATOLI KARPOV impressively won the Melody Amber Rapid Play Tournament. In Round 11, he beat Alexei Shirov.

The move 4 a3 in the Queen's Indian Defense was promulgated by Tigran Petrosian. It aims to prevent ...Bb4 in reply to Nc3. On 4...Bb7 5 Nc3 d5 6 cd, Black escapes from the usual white pressure in what has now become a Queen's Gambit Declined formation by recapturing with 6...Nd5. Thus, after 7 e5 g5 8 Nd5 ed, Black obtains a free exchange of pieces and the white queen bishop cannot develop to maximum aggressiveness. The pawn formation is that of the Queen's Gambit Declined, of course.

In some games, Black has played 14...Rc8 and White has gotten the edge with 15 c4 and 16 a5. But Karlov advanced aggressively with 14...a5. After 15 ab Ra5 16 a4, he fought vigorously for the initiative with 16...c5, the chief tactical point being that 17 dc Nc5 18 Qb4 Bb2 19 Qb2 Bc5 20 Qb4 Ba4 gains a pawn for Black.

Accordingly, Shirov had to tend to the weakness of his a4 pawn with 17 Bb5 and Karlov established a protected passed pawn with 17...c4.

Since things were not going his way, Shirov might have aimed for simplification with 20 a5 21 Qd5 followed by 22 Rf5. After 20 Rb1 Nb8 21 Ra2 Nc6 22 Rab2 Nc5, Karlov had created the possibility of blocking the b file with a timely ...Nb3.

Stymied on the queenside, Shirov switched to a kingside attack with 24 Rf1 Bc5 25 f4. Shirov gave up.

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Patrick Dupond and Nan Legeai, left, in Céline evening wear; a sporty Saint-Exupéry aviator outfit in leather and wool crepe; gray and taupe dress with collarless black jacket, top right; slender evening dresses in fall-winter show.

## Nan Legeai: Taking a Bow With 'Salomé'

By Suzy Menkes  
*International Herald Tribune*

**P**ARIS — On Tuesday, the French ballet star Patrick Dupond will dance "Salomé" at City Center in New York. But the seven symbolic veils will not be the only clothing on stage.

The benefit will be a mix of dance and the sleek fashions of the French house of Céline. For Nan Legeai, Céline's president, the event is a personal landmark. She will be back in her native America as a woman who has risen to the top of fashion management in France.

"I always feel like I have to prove myself — each event is a challenge whether in the United States or elsewhere," says Legeai. "But I would love to succeed because America is my base."

She admits to a recurring nightmare in which she takes her seat on the big night to find her view blocked by a blank wall and too many guests to fill a mysteriously-shrunken City Center.

If the organization were to break down, it would be quite out of character. For the elegant Legeai, 42, is known for her management skills. Since she took over as president of the company in 1988, the turnover has increased sixfold — an average rate of 25 percent a year, with profits rising at the same pace. In 1993, global turnover reached 683 million francs (\$130 million) and Legeai says that she is aiming now to reach a billion francs. The 1994 figures, about to be released, show the year's growth at an impressive 32 percent.

Legeai, in her office above Céline's boutique on Avenue Montaigne, is

wearing brown: a tailored frockcoat and skirt with an impeccable stock tie below her signature long blonde hair and bright lips. She expresses exactly the sporty, classy spirit of the company. In fact, the Céline brochures show glossy-haired models who look suspiciously like clones of Legeai herself.

"It is important for a woman running a fashion company to set a standard. I have a certain taste level I was born with, and French training increased it," she says. "It is interesting being a woman because you have a certain dialogue with the design studio, being a consumer. I can say that I would like to wear this or that I can relate to it."

Directing a company is something else, especially in France where, as Legéai says, fashion management is men's business and fraught with red tape and politics. She was educated at the University of California at Berkeley, came to France as a young woman and fell in love with Paris as a city — and with her late husband. She decided to stay on, and after 10 years as a director of Far Eastern licensees for Christian Dior, she was put in place at Céline by Bernard Arnault, president of LVMH Moët Hennessy Louis Vuitton, which bought Céline, then a middle-of-the-road company dressing the bourgeoisie, in 1987.

"Elegance" is Legeai's rallying cry. "Grunge!" she says with a shudder, wiping an impeccably manicured hand across her brow. It is a relief to her that "designers who know how to embellish women" appear to have gone back to tailoring, glamour and the things she understands.

**T**HE success of Céline is that it fulfills a market gap in France and under the direction of Legéai has successfully developed in the Pacific, including China. It has little impact in Italy or the United States where similar upper-end sportswear collections are available. There are 100 boutiques worldwide, with a flagship U.S. store in New York on East 57th street and five others, including two in Honolulu.

Legeai admits that the America gala is designed to raise Céline's profile in the United States. She is co-chairwoman of Blaine Trump of the event, which is a benefit for the American Ballet The-

atre and for "God's Love We Deliver," which brings meals to homebound AIDS victims.

Dupond's onstage leaps and bounds will give the show pizzazz. But why this multimedia spectacle of fashion, film and dance?

"The two artistic forms are very similar," she says. "Fashion is seduction — so is dance; fashion is perfection — so is dance; and it makes for a wonderful show."

In Paris, the Céline fall show of fitted suits, tailored leather and slender evening dresses was paraded against a narrative backdrop painted by the French painter Jean-Paul Chambas, with Legeai encouraging him to include emblems and colors that correspond to the collection and banning his signature blue because it was not a Céline shade of the season.

In her streamlined office, another painting by Chambas makes a bright splash of color on a plain wall. The only other decoration is a graphic drawing by René Gruau, a famous 1950s image of a dashing profile with scarlet lips. It could easily be Legeai herself.

She attributes her business success to "willpower and hard work," and to her American education, which gives her "a slight edge" over the more literal and traditionally-minded French whose "curiosity has been less awakened."

But it is hard not to see Céline as a symbiotic relationship between its president and its image. Legeai may not design the clothes or technically be the creative force, but she is so closely identified with the company that she has become its alter ego and its most persuasive role model.

## Press Agent's Nightmare

By Donald G. McNeil Jr.  
*New York Times Service*

**N**EW YORK — For Alma Viator, the opening night of Jean Cocteau's "Indiscretions" began weeks earlier.

As press agent for the show, she would then have many duties: coddle the critics, arrange interviews, shepherd photographers. But first she had to build buzz for the show — which meant picking the party spot and buttonholing celebrities to fill it.

For Viator, the new press agent in town — she moved up from Washington in the fall — the pressure was on.

"What's a successful opening night?" said Viator, a short, sparkly, politically astute blonde, who is married to a former congressman. "A party that says 'This show is special!'"

And, of course, no onstage disasters. And rave reviews for dessert.

Opening nights are the glamour part of Broadway theater. For investors, they're often the best part; when you buy 1,000 shares of Wal-Mart, you don't meet Katharine Turner.

For stars, they're a pain; for autograph hunters, a gold mine; for press agents, a nightmare.

The stories about openings gone wrong are legion. Except for Viator, the 17 press agents interviewed for this article all dished on condition of anonymity regarding anything nasty about people they're paid to nice to.

Like their nickname for the B-list paparazzi ("the undead"). Like their imitations of the New York Post columnist Cindy Adams ("I hate her! Half the time, she stomps out and says, 'Don't you have better seats for us? My Joey can't see.' Then he snatches tickets right out of my hand.") or their feelings about critics' feelings ("They make dead spots in the audience. Like it would kill them to laugh while they're writing!").

Hierewith, one woman's march toward Valium or glögi: April 25: Two days to go. She's hired two extra assistants and jammed their desks into her modest office. In the afternoon, she haggles with Shubert executives over the choice tables at Tavern on the Green. Afterward, alone in her office, she takes out a theater seating plan and begins parceling out the bounty.

April 27: The day arrives. By mid-afternoon, she knows what most of the next morning's papers will say about the play. Press agents say all the critics in town — except the ones from The New York Times, whom they don't dare call — will give them at least

she says. "And people end up feeling slighted if they aren't on the first."

March 30: The price quotes are in: 1,585 Broadway would cost \$100,000 — out of the question. But Tavern on the Green, happy to appear in gossip columns, will do it for \$35,000.

"It'll be fine," she reassures herself. "Plus, it's so far away, it'll cut down on crashes."

Meanwhile, someone from Scirino Coyne Inc., the show's advertising agency, is hanging around The New York Times' lobby waiting for the review. At 9:40, when the papers arrive, he buys several, tears out the reviews, flings the rest away and races for the agency.

April 3: Previews begin. Word gets around fast that Eileen Atkins is "Tony material, but Turner is overacting." Viator keeps smiling, but is clearly nervous. "Sean is working with her," she admits, meaning Sean Mathias, the director.

Since even good notices criticize someone, they're rarely read aloud. If the show is panned, a pall descends. Guests melt away.

10 P.M.: With the party in full swing, Viator, fielding crises, has still heard nothing.

"She hands the reins to an assistant and jumps into a cab to the advertising agency.

"Do we know yet? Do we know yet?" she cries.

"It's a rave!"

She devours it, oohing and aahing, gathers some copies and heads back for the Tavern. The producers are jubilant.

10:45 P.M.: She decides the party can run itself.

Leaving the office at midnight with Viator, Nancy Coyne, the head of the agency, tells her personal worst opening night story. It's about "Moose Murders," a Broadway legend because the reviews were so vicious.

The producers and the author were sitting there, in their tuxes, and Dennis Cunningham comes on Channel 2 and opens like this: "If your name is Arthur Bicknell — or anything like it — change it, because by tomorrow, the whole world will know YOU wrote 'Moose Murders.'

"And poor Arthur just slumped down. No one knew what to say. He went down stairs and started drinking martinis."

No such problems tonight. Viator goes home happy.

Le Printemps de l'Alhambra

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# YACHTING



Super-yachts are a sure way to escape the crowds, and these boats' opulent furnishings (like the living room above) can rival anything on land.



TERENCE DISDALE

## OCEANIC OPULENCE: HOW TO SAVE A BUNDLE

A look at the rarefied world of super-yacht interior designers, who must combine decorative flair with knowledge of boat design.

**M**oney is like an arm or a leg — use it or lose it," Henry Ford II is reported to have said. It is no surprise that he was the owner of a super-yacht. These enclaves of floating opulence are defined as boats over 20 meters (66 feet) in length, but their differences from a weekend cabin cruiser can be measured in far more than meters.

The Superyachts, an annual guide, describes its subject as a status symbol that provides "a quality of living that is comparable to any luxury dwelling ashore."

**Marble, gold, and more**  
That means marble bathrooms, gold finishings, silk fabrics, precious wood inlays, one-of-a-kind furniture and objets d'art, all in keeping with the expectations of the world's ultra-elite. Ensuring such quality standards is the task of the interior designer, who may work in a shipyard's in-house department or be an independent naval architect or a specialist designer.

The shipyards' experts are well able to cater to the needs of their clients. Sometimes, however, a would-be yacht owner prefers to approach an independent designer, who then selects the appropriate shipyard for specific requirements. An advantage of taking this route

is that an outside architect can provide an independent check on the quality of construction.

**Lifestyle and needs**  
A designer should be chosen who understands the owner's lifestyle and needs. Is the owner sporty or formal? Will the vessel be used for dockside entertaining or ocean cruising? Where will it be moored, and how often will it be used during the year? Will it be chartered?

It is equally essential that the designer be familiar with the particular characteristics of boat design. Susan Puléo, president of Puléo, Inc., one of today's most reputable design companies, points out some of them: "All components of the interior and its elements must be serviceable," she says.

"That means everything must be removable for cleaning or access to the interior of the boat. You have to worry about stability and the seaworthy qualities of what you are designing. All furniture has to be affixed to the floor, with the exception of dining chairs. These can be held down by bungee ropes or laid on the floor when not in use. Lamps and other objects must be screwed to tables. But none of this should be evident to the eye," Ms. Puléo adds.

Terence Disdale, another world-renowned yacht designer, elaborates with an example. He avoids the popular "built-in" approach, where the table has a hole for the glass and a slot for the magazine.

"People are not robots," Mr.

tails," Mr. Disdale explains. He tries to ensure that a priceless painting on the wall does not have a thermostat right beside it or an air-conditioning grill just above it.

Ms. Puléo suggests that many house designers do



This super-yacht is currently under construction.

Disdale says, so "the magazine ends up covering the hole for the glass, which, having lost its slot, spills its contents irretrievably in the slot for the magazine."

Other details must also be considered, including handles, light switches, thermostats, air-conditioning outlets, and so forth.

"The confinement of space means the eye is more likely to focus on such de-

a kitchen works. So a mega-yacht galley, even one equipped to the standards of a professional restaurant, might prove unworkable for the cook once the boat is afloat.

More space, less privacy

Mr. Disdale remarks on the current trend for making the main deck area the full width of the hull. This decision adds space but complicates circulation around the vessel, makes window cleaning "a nightmare" and reduces privacy.

"If your vessel happens to be moored alongside another that also has a full-width superstructure, it means that your respective saloon windows are only separated by the width of the fender," he says.

Correcting such errors, if they can be corrected, might cost hundreds of thousands of dollars. That is why it makes sense to commission an established shipyard and an experienced designer. Ms. Puléo does not give an average figure for a yacht design, but she observes that all her clients watch their budget, "even if it is large."

The industry's Wood Report estimates the average overall cost of a new super-yacht at \$65 million, so its owner's arms and legs are fact in being well used.

Claudia B. Flisi

**Y**achts are sometimes described as holes in the water into which money is continuously poured. Judging from the number of boat shows that have sprung up in recent years, more and more people are eager to undertake the challenge.

"There are too many shows today," admits Nick Burleigh, head of sales for IIR, the organizer of several boat exhibitions. "Everyone is on the bandwagon." His group alone organizes the Monaco Boat Show in September, Boat Asia in April and the Super-Yacht Show being held in Nice this year from May 30 to June 1.

Among the major boating events worldwide are the Dusseldorf show (the world's largest); the London and Southampton shows in England; the Paris, Amsterdam, and Genoa shows elsewhere in Europe; the Fort Lauderdale and two-year-old Seattle super-yacht shows in the United States; and the three shows run by IIR in Monaco, Singapore and Nice.

**Ask the right questions**

The calendar of the International Federation of Boat Show Organizations lists 53 boat salons for 1995, and several of them occur simultaneously. To decide which show is right for a potential exhibitor and visitor, a number of questions need to be answered.

First, what kinds of boats are on display? Do they range from Zodiacs to super-yachts (i.e., boats over 20 meters in length)? Are both sailing and motor boats featured? Is the potential buyer interested in fishing or simply weekend recreation?

An eclectic show is the best way for the novice or first-time shopper to learn, but it may be too cluttered and confusing for an experienced boat owner who wants something specific.

Although the major shows all display both sailboats and motorboats, the latter are more popular. Mr. Burleigh notes that in IIR's shows,

"more motor is exhibited than sail. The ratio is about 60/40. Sails turn heads, but motor is easier." Sailors are acknowledged to be "a special breed" — even in the super-yacht category, their definition of luxury is different from that of their motoring counterparts.

Daniel Ponachau, director of Nigel Burgess yacht brokers in Monaco, says that his upscale clients prefer motor to sail by a ratio of 70 to 30. Buyers from the Middle East, he notes, "do not like sailboats, which are bought primarily by the French, Italians, Americans and the English."

**Indoors or in-water?**

A second criteria for distinguishing boat shows is whether they are indoors, indoors or both. An indoor show by definition cannot display the kinds of luxury yachts to be found at an in-water exhibition like the one in Monaco.

The London, Paris, Geneva, Amsterdam and Dusseldorf shows are all indoors and are all held in the autumn and winter months. Only Dusseldorf has some super-yachts on display, and it has dedicated one of its 15 halls to them. In contrast, the largest boat in the London show is 19 meters.

Both Fort Lauderdale and the super-yacht show in Nice feature indoor and in-water displays. "Some exhibitors buy space in both locations," says Mr. Burleigh, "but inside you will usually find engine builders, shipyards with video clips and models of their creations, designers, sailmakers, etc. The outside exhibitors are brokers with their yachts."

A third consideration is whether the show is restricted to vessels alone, or whether it includes all the attendant paraphernalia — from engines to navigational equipment, surfboards and scuba tanks.

Both London and Dusseldorf run the gamut, while the Monaco show — Europe's most prestigious in-water exhibition —

by and large limits itself to the boats.

**The tire-kickers**

The greater the range of exhibits, the more likely that the show will attract "what Americans call 'tire kickers,'" says Mr. Burleigh with a smile. The Dusseldorf show, for example, attracts up to 200,000 visitors on the weekend. That is desirable for vendors of anchors and anoraks, but is not viewed favorably by the brokers of luxury yachts. To screen attendees, boat shows normally charge a small fee (usually between \$5 to \$20) for admission. Most people enter by invitation, however, especially for the super-yacht shows.

The industry's Wood Report estimates that there are a total of 2,380 super-yachts in the world, a number that increases by 100 new boats per year. Most of these are bought by billionaires who favor a low profile.

Base prices are so high that "your average famous tennis or film star cannot afford them," says Mr. Burleigh. He cites the main attraction at last year's super-yacht show in Nice, the Lady Mona. It would cost \$190 million to build her today, and that does not take into account insurance, operating costs, captain and crew on a full-time basis.

**Super-yacht sales**

In spite of the rarefied nature of such transactions, potential super-yacht clients are well-known to the brokers who deal in this select end of the market. Customers are personally invited to super-yacht shows and escorted throughout their stay, wined and dined and coddled to keep competing brokers at bay. Only 190 super-yachts are sold annually, so it only takes one sale to make a yearly business for a broker.

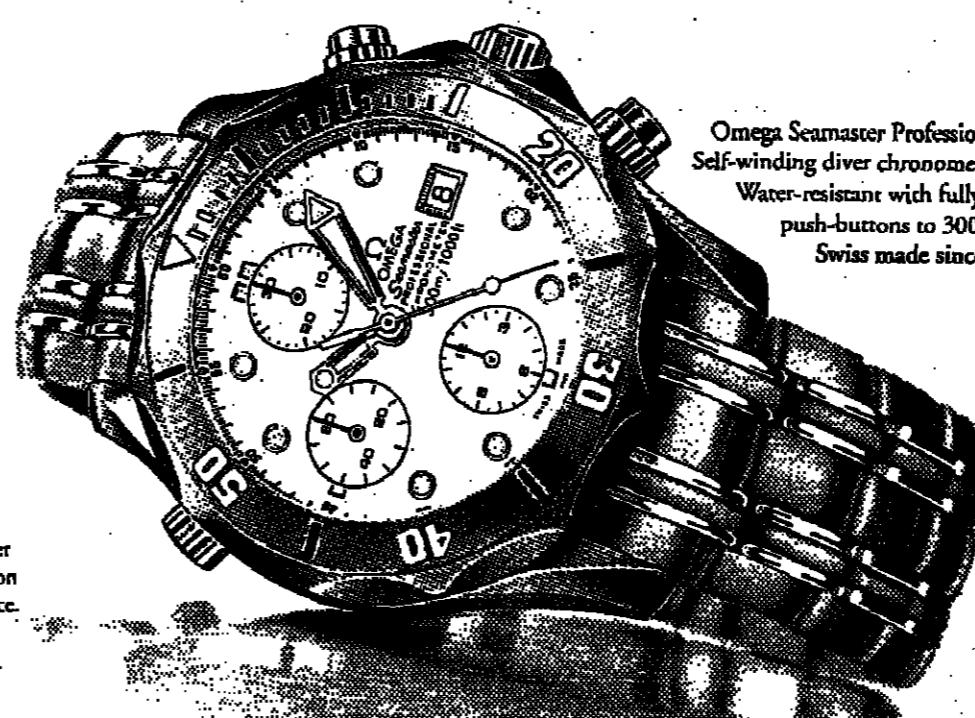
The challenge of deciding which boat shows to attend pales in comparison to the job of selling a \$50 million indulgence.

C.F.



# OMEGA

THE LINK BETWEEN EXCELLENCE AND SAILING



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Self-winding diver chronometer in 18 k gold.  
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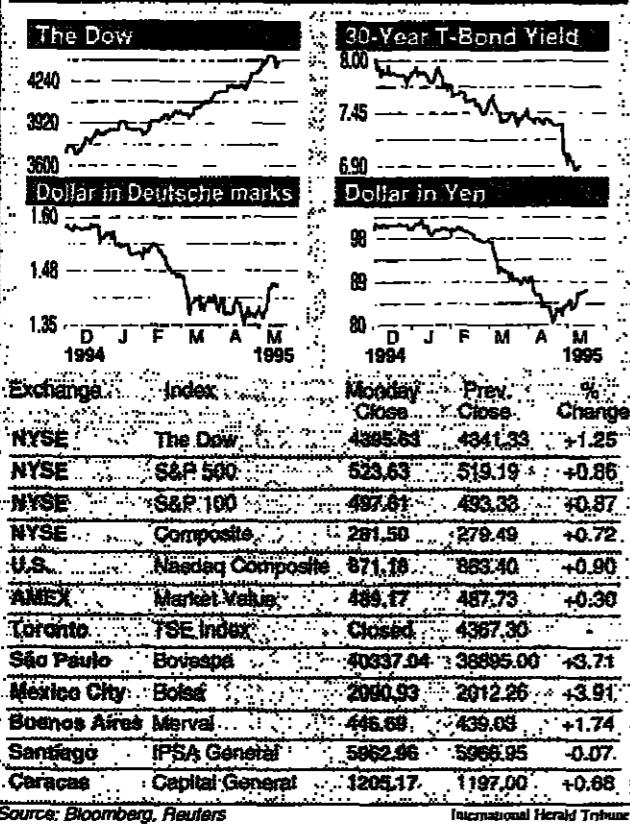


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Rod Davis also depends on  
an extraordinary timepiece.  
That's why he wears his  
Omega in all his exploits.

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## Investor's America



## Microsoft Pullout Hits Intuit Stock

## Surging Cyclical Push Dow Higher

Compiled by Our Staff From Dispatches

**NEW YORK** — Shares of Intuit Inc. plunged Monday in the aftermath of the decision by Microsoft Inc. to drop its bid to buy the company for more than \$2 billion in stock.

Intuit stock closed down \$14.50, at \$60, in very heavy trading on the Nasdaq system.

The decision by Microsoft, announced over the weekend, came three weeks after the Justice Department sued to block the acquisition because of antitrust concerns.

The software giant agreed to buy Intuit in October to get the company's Quicken personal-finance software, the most popular product on the market for tasks such as family budgeting and balancing checkbooks. Quicken would have been a springboard for Microsoft to enter the market for home and small-business finance software and a gateway into on-line banking.

The Justice Department feared the move would give Microsoft domination over the personal-finance market.

Despite being abandoned by Microsoft, Intuit is likely to continue to dominate the market for personal finance programs, analysts said.

"Intuit's momentum has been quite strong since the announcement of the acquisition," said Genni Combes, an analyst

at Hambrecht & Quist. The publicity may even have helped sales, she added.

"Second, if Microsoft was willing to pay for Intuit, the speculation is, someone else will pay that much," she said.

Ms. Combes and other analysts said they expect Intuit shares to trade at \$55 to \$60, based on the company's recent performance and market position.

Intuit is financially healthy and will grow rapidly in the next year, said Michael Wallace, an analyst at UBS Securities. Intuit could earn \$1.15 a share in the year ending in July and \$1.50 in financial 1996.

The company earned \$25.4 million, or \$1.50 a share, in financial 1994, he said, though the results were inflated by the acquisition of ChipSoft Inc.

Since October, Intuit's shares had risen by more than a half, peaking at \$86.50, on expectations that Microsoft would complete the transaction. Microsoft would have paid about \$114 in stock for each Intuit share, based on Microsoft's closing price Friday.

Microsoft now has to return to improving its less-popular Money financial program, analysts said.

"The onus is on Microsoft to re-establish itself in personal-finance software," said Peter Rogers, an analyst at Bear Stearns & Co.

"In the period that they were pursuing Intuit, Microsoft's development and customer

service on Money plummeted. Microsoft faces an uphill battle."

"Losing Quicken will slow Microsoft down, but it won't change its direction," said Richard Shaffer of Technologic Partners. "Microsoft has momentum, money and market power in this industry, and that is not going to change."

Another thing that will not change is continued government scrutiny of Microsoft's every move, because of its dominant position in personal computer operating systems — with its Windows program and its leading products in applications like word processing and spreadsheets.

Anne Bingaman, assistant attorney general in charge of the antitrust division, declined to say Sunday whether there were other Microsoft's activities her agency was investigating. But she added, "We get complaints about Microsoft all the time. We have become a kind of Microsoft complaints center. And we take them very seriously."

The issue being pushed hardest by Microsoft's rivals centers on the company's intended introduction later this year of Microsoft Network, a commercial on-line service. It is to be loaded on the company's next version of Windows software, Windows 95.

Microsoft shares closed up \$1.87, at \$87.25. (Bloomberg, AP/DJ, NYT)

## Surging Cyclical Push Dow Higher

Bloomberg Business News

**NEW YORK** — U.S. stocks jumped on Monday as signs of slowing economy allayed concern that weak demand for \$29.25 billion in government notes to be sold this week could drive yields higher.

That hope sparked a surge in so-called cyclical stocks — those

## U.S. Stocks

that rise and fall along with the economy — and in technology shares, which lengthened an eight-month rally.

Driving up the cycicals and technologies was the realization that the current economic cycle was lasting longer than many investors had expected, said Michael Metz, chief market strategist at the brokerage Oppenheimer & Co.

"It could last another two years, that's the thinking," said Mr. Metz. "Even if earnings are disappointing in the next quarter or two, as the economy slows, investors are convinced that 1996 will be an up year and so will 1997."

Early in the session, the Dow Jones industrial average climbed 62.25 points to 14,395.63, falling back to close at 14,395.63, up 54.30. Three rounds of computer-guided buy orders added 34 points to the average, according to the investment firm Birinyi Associates Inc.

Among the leaders in the 30-stock average were Caterpillar, up 3 to 624, Boeing, up 1 to 566, IBM, up 2 to 954, and United Technologies, up 1% to 744.

Almost 13 stocks rose for every eight that fell on the New York Stock Exchange, where trading volume narrowed to 288 million shares from 353 million on Friday.

Meanwhile, U.S. bonds were little changed Monday as signs of slowing economy allayed concern that weak demand for \$29.25 billion in government notes to be sold this week could drive yields higher.

"We're in a slow-down phase," said Dennis Neumann, who manages \$150 million in bonds at Southwest Bank of St. Louis. "The question is, 'How deep will the slowdown go?' The market will probably pull back until it can get a clear picture."

The benchmark 30-year Treasury bond rose to 108 30/32, up 2 3/32, nudging the yield down to 6.91 percent from 6.92 percent.

Stocks that are most sensitive to swings in the economy benefited from a view that "the economy's slowing but not dramatic," said Louis Tavel, head of equity trading at the brokerage J.C. Bradford & Co. in Nashville, Tennessee.

Nationwide Cellular Services scored on the news that it was being acquired by MCI Communications Corp., climbing 6 to close at 23%.

Advanced Semiconductor Materials' shares rose for the second day after its first-quarter earnings increased 37 percent. Its shares closed up 3/4 to 54.20.

Shares of Applied Materials rose 2 1/4 to close at 52 1/4, while Intel rose 5/8 to close at 114. Micron Technology also gained, climbing 3/8 to close at 174. Motorola rose 2/8 to end the session at 50 3/8, as Texas Instruments closed at 113 1/8, up 2 1/8.

## Japanese Dodge U.S. Seat Belt Complaint

By Andrew Pollack  
New York Times Service

Japanese and American auto companies.

In response to the news of the planned recalls, which were described over the weekend by people close to the talks in Washington, officials here said that there were no plans to recall any cars, even though there are 4.79 million vehicles on the road in Japan with the same seat belts.

Asked why there are so many reported problems in the United States, Takaaki Onoda, an official at the Ministry of Transportation, said Japanese car makers who examined problem seat belts in the United States reported finding animal hair, bits of food and drippings of soft drinks gummying up the works. "In other words, cars are much

more roughly used in the U.S.," he said.

The National Highway Traffic Safety Administration has recorded 539 complaints and 47 injuries because of the seat belt problem, but no deaths. Officials said that over time, the plastic release button on the belts can grow brittle and chip, preventing the buckle from locking securely.

Honda Motor Co. and Nissan Motor Co., the two companies with the largest number of cars affected, said their U.S. dealers would conduct "voluntary service campaigns," in which letters about the problem would be sent to owners and repairs would be made only if the owners request them.

## Dollar Rises Against Yen After Tokyo Stocks Post 2% Drop

Bloomberg Business News

**LOS ANGELES** — "Die Hard With a Vengeance" dominated the U.S. box office over the weekend with a gross of \$21.2 million. Following are the Top 10 moneymakers, based on Friday ticket sales and estimated sales for Saturday and Sunday.

1. "Die Hard With a Vengeance" (Twentieth Century Fox) \$21.2 million  
2. "Crimson Tide" (Hollywood Pictures) \$17.5 million  
3. "Forrest Gump" (Castle Rock) \$6 million  
4. "While You Were Sleeping" (Hollywood Pictures) \$4.7 million  
5. "The Hunt for Red October" (Twentieth Century Fox) \$2 million  
6. "Friday" (New Line Cinema) \$2 million  
7. "A Little Princess" (Warner Brothers) \$2 million  
8. "The Englishman Who Went Up a Creek" (Miramax) \$1.8 million  
9. "Bad Boys" (Columbia) \$1.3 million  
10. "My Family, My Family" (New Line Cinema) \$1 million

Japan's benchmark Nikkei 225 stock index fell more than 2 percent Monday amid disappointment with corporate re-

ports. Japan's stock market also sent the yen tumbling against the mark, traders said.

"The Nikkei is down so we've got a weaker yen," said Earl Johnson, currency adviser at Bank of Montreal/Harris Bank in Chicago.

The dollar rose to 87.345 yen, from 86.80 yen on Friday. It fell to 1.4407 DM from 1.4443 DM.

The dollar gave up early gains against the mark amid talk that European central banks were selling, traders said.

The banks have purchased dollars several times this year, trying to help the U.S. government drive it higher. Now, the banks have dollars to sell, traders and analysts said. No traders re-

ported doing business with the banks Monday, however.

The dollar fell to 5.1110 French francs from 5.1145.

France Minister Alain Madelin of France tried to reassure investors that the government would stick to its strong-frame policy.

The dollar fell to 1.1995 Swiss francs from 1.2039. The pound rose to \$1.5740 from \$1.5705.

Traders said a White House

plan to impose punitive tariffs on imports of Japanese luxury cars was helping the dollar strengthen.

The dollar has risen about 5 percent against the yen since May 8, a week before the sanctions were announced.

The dollar also benefited from a slackening in the yen caused by Japan's exports. — leaves Japan's exporters with a steady supply of dollars to sell for yen when bringing profits home.

The \$66 billion annual U.S. trade deficit with Japan — cited by many analysts as the main reason for the dollar's weakness against the yen in recent years — leaves Japan's exporters with a steady supply of dollars to sell for yen when bringing profits home.

## WORLD STOCK MARKETS

exporters are not out in full force, like we were seeing last month," he said. "I know they have dollars to go."

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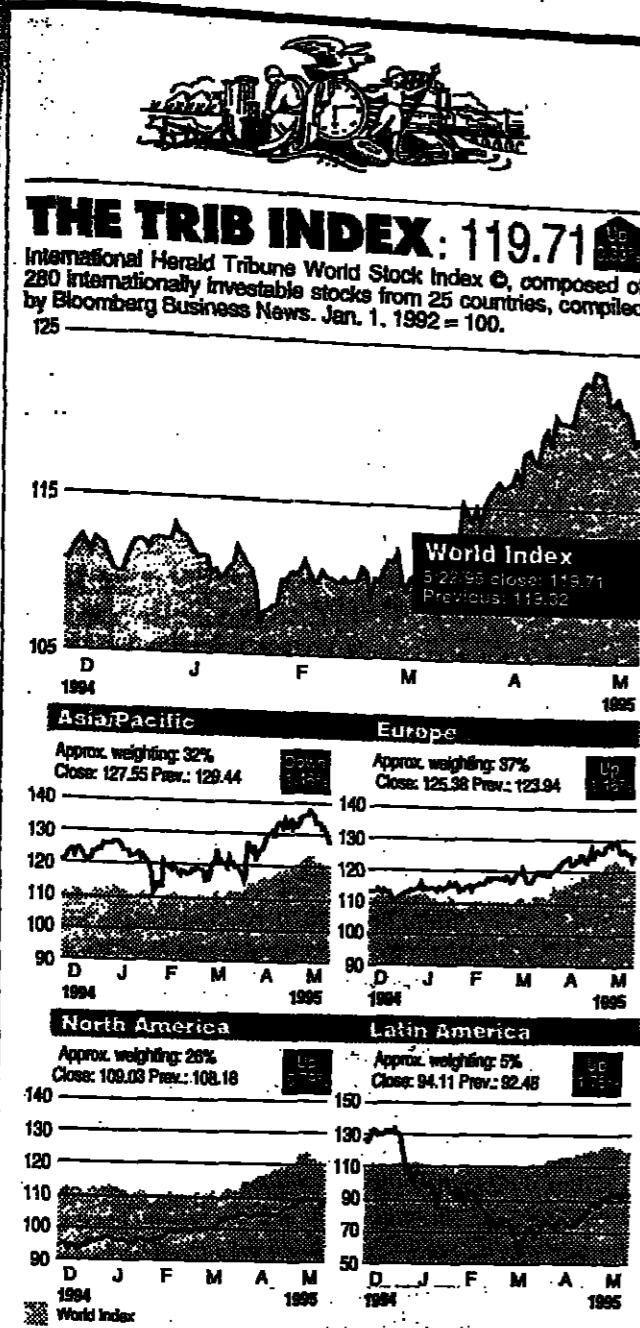
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TUESDAY, MAY 23, 1995

PAGE 13



**THE TRIB INDEX: 119.71**  
International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.

## Comeback Network Goes Off Block

### Turnaround Makes NBC Too Expensive for Suitors

By Bill Carter  
New York Times Service

NEW YORK — NBC, relying on daring programming moves and a commitment to urban, young adult viewers, has emerged from half a decade of slumping ratings, declining revenue and industry ridicule to be the best-positioned network in the business.

Competitors and friends alike say it is now seen as the network with the best new programs and the best strategy to claim a big share of record \$5 billion or more that advertisers are expected to spend for network commercials.

The General Electric Co. subsidiary has also expanded its satellite access and cable franchises and made a series of deals, such as the one last week for a multimedia alliance with Microsoft Corp., adopting a wealth of partners that it hopes, can deliver its programs around the world.

The shift in NBC's fortunes has also put a damper on the persistent rumors that GE was about to sell the battered peacock. The turnaround has allowed the network to take a tough stand in negotiations with potential buyers or those interested in merging. After negotiations with Ted Turner last fall, Robert C. Wright, the network's president, and John F. Welch Jr., the chairman of GE, rejected selling part of NBC to Turner Broadcasting System Inc. The issue was control. Turner wanted it; GE did not want to give it up.

Such a merger, with NBC in control, "would have been and still is the best thing for both companies," Mr. Wright said last week. "But it isn't likely to happen." Nor is any sale of NBC likely to happen.

"They have great assets now they can rely on."

Jessica Reif, a media industry analyst at Merrill Lynch & Co.

now, he said, adding, "It's getting real expensive to buy NBC."

Still, NBC executives remember the low point.

On Feb. 10, 1993, these executives at a strategy session near Ossining, New York, were discussing the latest grim developments.

The night before, NBC News had broadcast a humiliating apology for a report on the newsmagazine "Dateline NBC," which had faked explosions in a report questioning the safety of a General Motors Corp. truck model.

The network had reached to the bottom of the ratings. It was really hit, "Cheers," was going to cease production because Ted Turner, the star, had decided that he needed to move on to something else.

The network had lost \$50 million in 1992, and the balance sheet for 1993 was looking depressingly similar.

Don Ohlmeier had joined the company.

ny only six days before the meeting as the president of NBC's West Coast operations to find some way out of the programming collapse. It was a newly created position, and he recalled staring outside and asking himself: "What the heck have I gotten myself into?"

By last fall, Mr. Ohlmeier's situation had already improved remarkably. Now, as NBC prepares for the fall season, the industry buzz has gone from how soon Ted Turner is going to buy the network to admiration for NBC's momentum and how its comeback is coinciding with a booming market for television advertising.

"Our profits are up 100 percent from a couple of years ago," Mr. Wright said. "We're up 25 percent for the last year, and we may be up that much again this year. We're almost back to our all-time peak from the late 1980s. We should make it next year."

Though Mr. Wright did not give specific figures, NBC earned about \$500 million a year in the late 1980s. "It's an amazing, amazing comeback," said Jessica Reif, a media industry analyst at Merrill Lynch & Co.

John Tinker, an analyst at Furman Selz, asked: "Did they get lucky or smart?"

NBC executives said a number of reasons, mostly calculated but some simply

See NBC, Page 19

## Record Profit Fails to Keep BA Shares Aloft

By Erik Ipsen  
International Herald Tribune

LONDON — British Airways PLC revealed Monday that ambitious efforts to create a global airline had taken a costly bite out of an otherwise record pretax profit for 1994.

The airline said it would write down the value of its \$400 million investment in USAir by half. BA added that stakes in two European associates had cost it \$90 million (\$141 million).

Not counting an exceptional charge of \$125 million for the USAir write-down, BA reported a record pretax profit of \$452 million, up 61 percent over 1993's results. Revenue rose 9 percent, to \$7.2 billion.

Sir Colin Marshall, BA's chairman, blamed the write-down decision on new American accounting rules that require companies to reduce the stated value of their assets when declines in their worth are clearly not temporary.

Sir Colin said the write-down came at a time when USAir's battered fortunes were finally turning around. He pointed out that last month, the U.S. carrier — in which BA holds a 24.6 percent stake — said it cut its first-quarter loss in half, to \$96 million from \$197 million a year earlier.

He added that a series of tentative agreements between USAir and its unions had now set the stage for much needed cost cuts.

But investors reacted harshly: Stock in British Airways fell 14 pence, or 3 percent, to 410.

Analysts said the drop in the share price was not only attributable to the USAir write-down. Some said BA, which is one of the world's most profitable airlines, may simply have been a victim of its own success.

"The feeling is what the hell are they going to do for an encore," said Matthew Stainer, an analyst at Morgan Stanley & Co.

Robert Ayling, BA's managing director, said the airline was reaching the limit of its capacity on lucrative long-haul routes in the peak summer months. He said load factors, or the percentage of seats filled with paying passengers, on such routes were as high as 82 percent.

BA said operating profit for trans-Atlantic routes soared 75 percent last year, to \$245 million. The airline benefited from so-called code-sharing agreements with USAir that fed traffic onto BA routes.

Sir Colin said the volume of passengers transferring from USAir domestic flights to BA flights through such agreements now equaled one fully filled 747 airplane every day of the year.

He said the benefits of code sharing, joint marketing and other agreements with USAir at were worth \$100 million in 1994.

BA's stakes in two European carriers — TAT of France, and Deutsche BA in Germany — continued to be a drain on the company, cutting a combined \$90 million off BA's earnings.

Mr. Ayling said most of those losses came from TAT. He said cash injections from the French government to Air France must have made a difference.

Overall, the British carrier said its stakes in other airlines, part of its so-called global airline alliance, contributed a net \$50 million to BA's bottom line last year, including gains from its stake in Quantas Airways Ltd. of Australia.

In addition to problems competing with state-owned airlines in Europe, Mr. Ayling said Eurostar trains linking London with Paris and Brussels via the Channel Tunnel were beginning to have an impact on the airline's short-haul European business.

## French Minister Talks Tough on Franc

By Tom Buerkle  
International Herald Tribune

BRUSSELS — France's new finance minister sought Monday to dispel lingering suspicion that his government would abandon its strong-franc policy in a bid to create jobs, stating that, if anything, the franc should be stronger.

Alain Madelin said continued efforts to reduce deficit spending and inflation were the only means of generating durable growth and employment.

Mr. Madelin said the new government would continue to keep the franc at the core of its policies, repeating the assurances that President Jacques Chirac made

last week at a meeting with Chancellor Helmut Kohl of Germany.

"I repeat clearly that the monetary policy of France will remain unchanged," Mr. Madelin said after a meeting of European Union finance ministers here.

He engaged in a modest effort to talk up his currency, saying that "the fundamentals in France if anything point to a re-statement of the franc here."

Financial markets have speculated that Mr. Chirac and Mr. Madelin would be tempted to change course in a bid to combat France's 12.2 percent unemployment and still make the drastic budget cuts needed to participate in a single European currency by 1999.

France will run a deficit of 400 billion francs (\$78 billion), or nearly 5 percent of national output this year, estimated Jean-François Mercier of Salomon Brothers Inc. in London. Even assuming solid economic growth, the government will have to slash the deficit by 120 billion francs to get it down to 3 percent of output, the maximum permitted under the Maastricht Treaty on European Union.

the franc on Monday. In Paris, the mark fell to 3,537 francs from 3,546 on Friday.

Some analysts question whether France can wage a fight against unemployment and still make the drastic budget cuts needed to participate in a single European currency by 1999.

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Cyclicals  
Now Higher

# ICI Outbids U.S. Rival In Battle for Grow Group

Compiled by Our Staff From Dispatches

**LONDON** — Imperial Chemical Industries PLC claimed victory in its battle to become the world's largest producer of paint Monday, after the U.S. paint maker Grow Group Inc. accepted the British company's increased bid.

The \$22-per-share deal, worth about \$350 million, follows a two-week tussle with Sherwin-Williams Co. of the United States for control of Grow Group. ICI said the offer was unanimously recommended by Grow's board.

"We are confident that the investment in the Grow acquisition will create value and enhance ICI's earnings in its first full year," said John Danziesen, chief executive of ICI Paints in North America.

ICI originally offered \$18.10 per share on May 1. The bid, which valued Grow at \$290 million, was accepted by the Grow directors. But Sherwin-Williams upped the ante a week later, bidding \$19.50 per share, or \$320 million.

Grow Group then held a sealed-bid auction and told bidders to submit their final offer by Sunday. ICI's bid beat Sherwin-Williams' \$20-a-share offer by \$2, Grow said.

Both bidders were attracted by the prospect of increasing market share in the United States, where a third of the world's paint is sold.

Sherwin-Williams said it would withdraw its offer to purchase shares in Grow Group at \$19.50 per share. It also said that subject to appropriate documentation, it would terminate litigation it had filed against the original Grow-ICI agreement.

## Mannesmann Says Telecoms Propel Profit

Compiled by Our Staff From Dispatches

**DUSSeldorf** — Mannesmann AG said Monday its move into telecommunications and two years of restructuring had paved the way for steady profit growth.

The company, whose other main businesses are machine tools and automotive technology, said at a news conference its sales in the first quarter rose 11 percent, to 7.1 billion Deutsche marks (\$4.9 billion), while orders jumped 14 percent, to 9.6 billion DM.

The company did not provide details for the quarter.

The management board chairman, Joachim Funk, forecast higher profit for the full year and a 10 percent rise in sales.

(Reuters, Bloomberg)

Under the terms of the new ICI offer, the Venezuelan company Corimon CA has agreed to sell its 25 percent stake in Grow for \$21.40, while the remaining shareholders will be offered \$22.

The deal will sharply increase ICI's paint sales in the U.S. market.

Grow's sales in the year to June 30, 1995, are expected to exceed \$500 million. ICI's paint sales currently total around \$1 billion a year.

"It looks like they have won, in that the Grow board has accepted it," said Jeremy Chantry, an analyst with Kleinwort Benson Securities. "I think ICI probably wanted it more than Sherwin-Williams did and that they bid more to get ICI to pay up."

ICI shares closed 4.5 pence higher in London, at 774 pence. In New York, stock in Grow rose 62 cents, to \$21.875, while Sherwin-Williams shares rose \$1.125, to \$36.625.

John Lowrey, an analyst with Buckingham Research Group, said ICI's latest offer was closer to what Grow is worth. Grow posted sales of \$402 million for the year ended June 30, 1994; net profit was \$14 million.

"It's the difference between having two bidders and only one," Mr. Lowrey said. "It's an enormous difference in terms of realizing full value."

Charles Lambert, analyst with Smith New Court PLC, said "strategically it is a very sensible move," for ICI.

(Bloomberg, Reuters)

## EU Finance Chiefs Decide Protection for Investors

Compiled by Our Staff From Dispatches

**BRUSSELS** — European Union finance ministers have approved rules to protect small investors, officials said Monday.

Under the plan, investors who lose money or securities when investment firms go bankrupt would receive at least 20,000 European currency units (\$25,900) to help cover their losses.

The rules, which must be approved by the European Parliament, are expected to take effect in late 1996 or 1997. The commissioner for internal market and financial services, Mario Monti, said there should be as little delay as possible.

Germany opposed the rules, arguing that they would dilute its tough national standards.

Germany reiterated its argument that there was no need for legislation on the issue and added that, at least, we want uniform rules on its com-

plaint," a European Commission official said.

Bon took the EU to the European Court of Justice last year over the adoption of a deposit-guarantee directive that grants bank depositors the same level of protection as securities investors. A ruling is expected by the end of the year.

"Germany was isolated," said Jürgen Stark, secretary of state in the German Finance Ministry. "We felt we didn't need the protection since we already have our own rules."

Mr. Stark said the EU direc-

tive should have focused on increasing transparency rather than setting strict minimum protection levels that infringe on domestic legislation.

The new rules are part of the EU's plan to allow investment firms to operate under a single license in all member-nations.

(Bloomberg, Reuters, AFP)

## German Firm Has Key EU Approval For Ulcer Drug

By Brandon Mitchener  
International Herald Tribune

**BAD HOMBURG, Germany** — Pantozol, a new ulcer drug that has fueled strong investor interest in the German pharmaceuticals, chemicals and baby-foods company Altana AG, has been approved for use throughout the European Union months ahead of schedule, the company said Monday.

Altana said regulatory approval for the drug's main chemical component, a so-called proton-pump inhibitor called pantoprazole, came through from the European Commission late last week.

"That means we can now sell Pantozol Europe-wide without having to seek any more approvals," said Klaus Schweickart, the company's chairman.

Altana's stock weakened on Monday, falling to 718 Deutsche marks (\$499.65), down 4 DM on the day. But that came after a sharp rise in the stock, which traded as low as 618 DM in March.

Since its introduction in Germany last September, Pantozol has gained a market share of more than 20 percent, largely at the expense of other ulcer drugs, Losec, which is made by the Swedish pharmaceutical concern Astra AB.

Astra, which introduced its proton-pump inhibitor four years ago, has had a virtual monopoly on the world market for the inhibitors. But if Pantozol's success is repeated in other markets, sales could reach as high as 800 million Deutsche marks a year within three years, says Altana.

"We predict we will have a world market share of 10 percent in three years, conservatively estimated," for ulcer drugs, Mr. Schweickart said.

Based on the initial success of Pantozol and other market leaders, some analysts said sales of the drug could even reach twice as high as the company has predicted.

"In Germany alone, we expect pantoprazole to be able to capture a 40 percent market share in 1997 and reach a turnover of 300 million DM," said Alexander Blaich, an analyst at Banque Nationale de Paris in Frankfurt, noting Altana's decision to price pantoprazole at 15 percent discount to Losec.

Analysts at Bank Julius Bär, in a recent report, likewise called Altana's forecasts for sales of Pantozol "rather conservative."

Pantozol can be more readily combined with other

### In Germany, Pantozol has a market share of more than 20 percent.

medications than Losec, an important consideration for the drug's generally older users, and it is easier to prescribe because a single dosage is good for most normal applications, analysts added.

Moreover, proton-pump inhibitors are expected to steal market share not only from Losec, but from other currently available ulcer drugs, which as a class represent the world's single largest market for medication, with sales of around \$8.5 billion.

But both Mr. Schweickart and Hermann Killmer, the company's chief financial officer, cautioned that some analysts could be disappointed. The mark's sharp appreciation against the lira and the pound "has made the export situation grave," said Mr. Killmer.

Mr. Schweickart said other long-term risks include a new theory that ulcers are caused by bacteria, rather than by stomach acid, and are therefore best fought with a combination of medications instead of just one.

## Telecom Privatization Sells Out In Portugal

By Brandon Mitchener

**LISBON** — The direct sale of Portugal Telecom shares is already oversubscribed ahead of its partial privatization on June 1, executives involved in the process said.

International and Portuguese investors have already submitted offers for 26 million shares of the 23 million available and could demand as many as 40 million before the end of the month, Fernando Castro e Sola of Eser-Sociedade Financiera de Corre-  
tage SA said Monday.

Analysts at Bank Julius Bär, in a recent report, likewise called Altana's forecasts for sales of Pantozol "rather conservative."

Pantozol can be more readily combined with other

"The sale is going well in all areas, especially in Europe," said Mr. Castro e Sola, whose Lisbon-based company is part of Banco Essi, which is coordinating the privatization.

Pedro Fonseca of UBS Ltd. in London, which is also coordinating the sale, said the international sale was oversubscribed.

"We're getting interest from all quarters — from the United States as well as Europe," he said.

"PT offers better prospects for growth, especially in basic services, than other European telecommunications providers," Mr. Castro e Sola said.

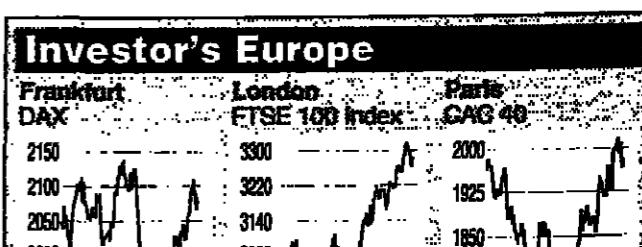
PT, Portugal's sole telecommunications operator, will sell a 26.3 percent stake on June 1 at a price to be fixed between 2,500 and 3,100 escudos per share, for up to 155 million escudos (\$1.03 billion).

PT will announce the price on June 1 based on the orders received.

It will offer 23 million shares for direct sale to Portuguese and international investors and 27 million shares at a special session of the Lisbon exchange on June 1.

The 27 million shares will include 17 million for shareholders in the external telecommunications operator Marconi, which PT absorbed in April; 7.5 million for PT employees, small investors and emigrants; 1.5 million for PT's bondholders and 1 million for other shareholders.

PT, created in June last year from the merger of three state-run telecommunications companies, made a net profit of 25.2 billion escudos in 1994.



Source: Telekurs

### Very briefly:

• Volkswagen AG's Spanish unit, Sociedad Espanola de Automoviles de Turismo SA, or SEAT, said it would lay off 8,875 workers for 15 days to slow down production and offset declining sales.

• A.P. Moeller, the Danish shipping and oil company, said its Maersk Line, which is the world's largest container shipper, had formed an alliance with Sea-Land Service Inc., the U.S.-based container shipper owned by CSX Corp.

• Hungary's state holding company has selected the U.S. investment house CS First Boston to advise on the privatization of Matav, its national telephone company.

• Françoise Sampermann, a top executive for Alcatel Alsthom, has been formally put under investigation for "receiving and concealing misused company funds," the company said.

• Cees van der Hoeven, chairman of the Dutch food concern Royal Ahold NV, said the company was looking for expansion possibilities in Indonesia, China, Thailand, Malaysia and the Philippines.

(Bloomberg, Reuters, AFP)

## Leeds Holders Back Merger

Compiled by Our Staff From Dispatches

**LEEDS, England** — Shareholders of Leeds Permanent Building Society on Monday overwhelmingly endorsed a proposed merger with Halifax Building Society.

The merger of the mortgage lenders would create the third largest British bank, with assets of \$90 billion (\$141.3 billion) and 27,000 employees.

Legislation passed in Britain in 1986 allowed building societies to go beyond their tradition-

al role as savings and mortgage-lending institutions and enter other areas of banking.

A long slump in the British home-buying market since then has led to a series of mergers and partnerships in the sector.

The Leeds-Halifax merger is to be followed by a stock market flotation valued at an estimated \$8 billion to \$10 billion, with the combined company being listed on London's stock exchange.

(AFP, Reuters)

## AMEX

## U.S. STOCK MARKET DIARY

### Indexes

### Most Actives

### May 22, 1995

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**NASDAQ**

**Monday's 4 p.m.**  
The 1,000 most-traded National Market securities in  
terms of dollar value, updated twice a year.  
*The Associated Press.*

## **Monday's 4 p.m. Close (Continued)**

With New Stock Div Yld PE 100s

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COMPLEXITY

THE BOSTONIAN

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1960] *W. H. DAWSON*

## Honda and Mazda Suspend Exports Of Targeted Cars

Bloomberg Business News

TOKYO — Honda Motor Co. and Mazda Motor Corp. have suspended exports of luxury cars targeted by the U.S. government for 100 percent tariffs, spokesman for the companies said Monday.

Honda stopped shipping Legend models from its Sayama factory northwest of Tokyo on Friday, a spokesman said. Last year, Honda sold about 35,000 Legends in the U.S. market.

Mazda, meanwhile, halted exports of its 929 and Millenia models on Saturday, according to a company spokesman.

### Casio's Results Show Yen Taking Toll on Exporter

Compiled by Our Staff From Dispatches

TOKYO — Casio Computer Co. said Monday the yen's appreciation held down the export-oriented company's profit in the year ended in March.

Consolidated current profit at the maker of calculators and digital watches slipped 4 percent, to 8.16 billion yen (\$94.5 million) from 8.54 billion yen the previous year.

With exports accounting for almost half of total sales, Casio was hurt by the rising yen's erosion of the value of profits made overseas.

Sales of advanced calculators, word processors, audio equipment and electronic notebooks for children rose. Wristwatch sales, which analysts say make up one-fifth of the company's business, were down 4 percent.

Net profit fell 6 percent, to 5.03 billion yen, and sales rose 5 percent, to 401.68 billion yen. For the year to March 1996, Casio forecast pretax profit of 8.5 billion yen on sales of 405 billion yen. (AP, Bloomberg, AP)

## Socialism's Engine Roars Chinese Carmaker Hails the Old Ways

By Patrick E. Tyler  
New York Times Service

CHANGCHUN, China — Here in China's Motor City, the culture of communism is changing so slowly that only recently have the city fathers considered changing the name of Stalin Street to something less ideological.

Changchun is home to the No. 1 Automobile Works, or First Auto, an anticipated industrial combine with a bloated work force of 130,000.

Yet China's leaders say they believe that it can become a "pillar" industry and thus demonstrate that state-owned factories managed by smart Communist Party cadres can not only succeed but also compete with the likes of Ford and Toyota.

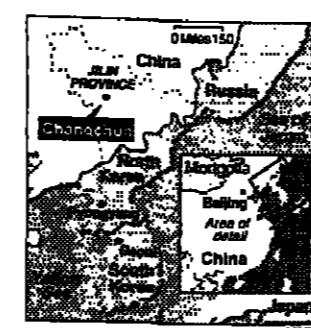
"We are fortunate that we have the auto industry to lead the way," said Yin Wei, the city's first deputy mayor. "I went to Detroit, and I saw the mayor, and I told him that we are turning Changchun into another Detroit, making this our own Motor City — although the one difference is that in Changchun we have good social order, whereas in Detroit, you don't dare go out at night."

Ideology still runs deep in parts of China; while much of southern and coastal China may feel like the capitalist world, here in the northeast, the notion of the idealized socialist man working in the idealized socialist enterprise is making a comeback.

"The city of Changchun was occupied by the Japanese for 14 years," Mr. Yin said. "Now we are welcoming the Japanese to come back to the northeast and invest."

At present, the plant produces barely 200,000 vehicles a year, about one-quarter the output of a large Western auto plant. Plant officials acknowledge there are large numbers of idle and surplus workers but plead that they have not come upon a scientific technique for weeding them out.

There is talk in Beijing that the government and foreign investors will pump in billions of dollars over the next five years to lift First Auto's production to 1 million vehicles a year as part of a national strategy to develop an affordable "people's car."



Despite the talk of economic reform in the era of Deng Xiaoping, First Auto remains a thoroughly socialist enterprise that sprawls over more than 400 hectares (1,000 acres) on the edge of Changchun and is home to 300,000 workers, dependents and retirees.

The factory operates more than 26 schools as well as 10 kindergartens for the more than 20,000 preschoolers. Its construction department has built roads and even operates an antique trolley line.

Over the years, the company has also provided 1,000 apartment buildings for more than 30,000 families.

The skyline around the city mixes Communist uniformity with some remnants of Japanese imperial architecture, dating from Changchun's role as the seat of occupied Manchuria from 1931 to 1945.

"The city of Changchun was occupied by the Japanese for 14 years," Mr. Yin said. "Now we are welcoming the Japanese to come back to the northeast and invest."

But Mr. Li refused to explain how the company accounts for the substantial debt and other liabilities that are routinely excluded from profit calculations.

Unwilling to provide an annual report or statistics about the automaker's performance or financial condition, Mr. Li said, "Some of this stuff is secret."

What First Auto wants from foreigners, he added, is technology and investment without a lot of questions.

## Indonesia Trades In Blackboards

Compiled by Our Staff From Dispatches

JAKARTA — The stock exchange left the era of handwritten orders behind Monday as it launched computerized trading and a longer business day from its new premises.

Although technical problems caused a five-minute suspension of trading early in the session, the market's chief regulator, Bapco Rumi, said: "I'm excited about the prospects for the new system. It will help enhance liquidity, transparency and the process of cultivating more investment for Indonesia."

Under the old system, prices were written on a white board on the exchange floor. Now, all bids and offers will be entered into a computer, which will then match them. There is no physical location at which traders will meet to conduct business, and identities of parties to the trades will not be disclosed.

The system, often delayed by technical problems, originally was due to be launched in September 1994. The Jakarta exchange, which also lengthened its trading day by 90 minutes Monday, is one of the region's fastest-growing markets.

According to a U.S. Embassy report on economic trends in Indonesia, daily volume on the exchange rose to 21 million shares in 1994 from 27,000 in 1988, as the number of listed companies rose to 231 from 25.

Shares closed slightly higher in thin trading attributed to wariness of the new system. The composite index rose 2.68 points, to 461.39.

(Bloomberg, Reuters)

### Astra's Earnings Jump

Indonesia's biggest carmaker, Astra International, posted a 96 percent surge in first-quarter profit. Reuters reported, but analysts said the year's rise and inflation could erode earnings later in the year.

Astra, which also has interests in heavy industry, electronics and agriculture, said it had consolidated net profit of 92.5 billion rupiah (\$41.4 million) in the quarter.

### Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
10000	2400	20000
9500	2300	19000
8500	2200	18000
7000	2100	17000
D J F M A M 1994	D J F M A M 1994	D J F M A M 1994
1900	1900	15000
Source: Telekurs		

International Herald Tribune

Monday

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Prev.

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% Change

Hong Kong Hang Seng

Singapore Straits Times

Tokyo Nikkei 225

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Hong Kong Hang Seng

Singapore Straits Times

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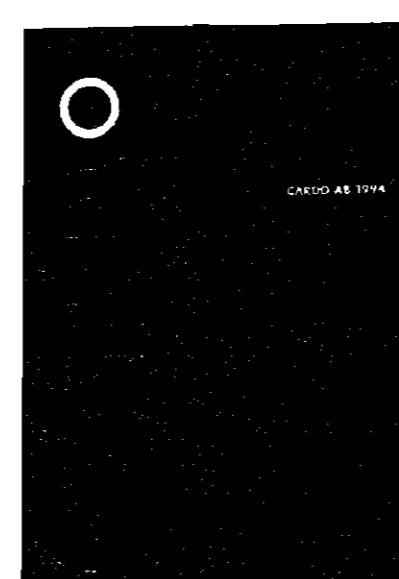
Hong Kong Hang Seng

# Scandinavian Annual Reports



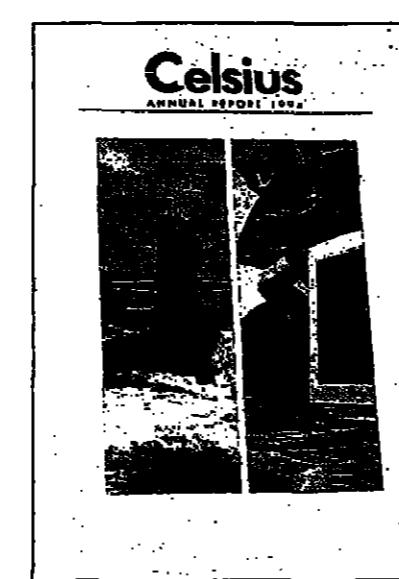
## AMER GROUP

Amer Group specializes in marketing and manufacturing of brand goods, and focuses on sporting and other leisure time products. Wilson, a leading world-wide sporting goods company, MacGregor Golf Company and gateway brands with golf apparel and accessories, and Oxygen brands represent approximately 60% of the Group's net sales. Amer's other businesses are automotive trade, tobacco industry and Timo System Companies. The Amer shares are listed in London and Helsinki. They are also available through an ADR facility in the US.



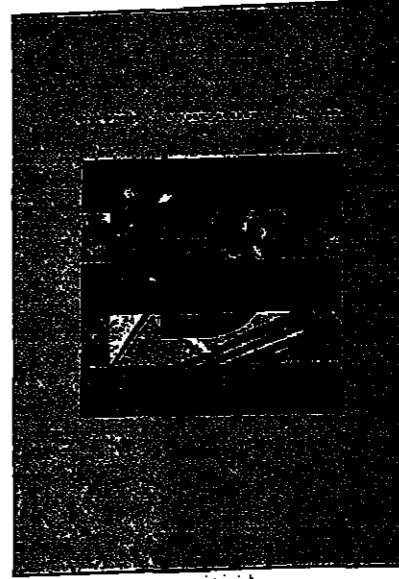
## CARDO

Cardo is an international industrial group with a turnover of SEK 5.5 billion. Cardo holds a strong position in the markets for industrial doves, centrifugal pumps and gateway brands with golf apparel and accessories, and Oxygen brands represent approximately 60% of the Group's net sales. Amer's other businesses are automotive trade, tobacco industry and Timo System Companies. The Amer shares are listed in London and Helsinki. They are also available through an ADR facility in the US.



## Celsius INDUSTRIES

The Celsius Group reports a 1994 profit of SEK 904 M after financial items. The Group's strategic focus is to increase its market share in information technology (IT) equipment companies. During the year Celsius acquired the computer companies Dialog and Easitor, now merged with the Group's other IT companies to form newly-established Celsius Information System. The Celsius Group, with sales exceeding SEK 15 billion, totals 17,000 employees. Listed on the Stockholm Stock Exchange since June 1993, the company has more than 20,000 shareholders.



## DANISCO

Danisco is one of the leading industrial groups in Denmark: 11,000 committed employees of whom 4,500 are employed abroad — generated net sales amounting to DKK 15 billion in the financial year 1993/94. Production and sales subsidiaries in 30 countries in Europe, Asia and North and South America contribute to the group's growth within the four sectors: Food & Beverage, Sugar, Ingredients and Packaging. Development of managers and employees is one of the means to ensure this growth.



## DET NORSKE VERITAS

An independent foundation established in 1864 to safeguard life, property and the environment, Det Norske Veritas today operates in 100 countries and on behalf of some 110 national maritime authorities. As one of the world's leading marine classification societies, DNV formulates Rules for the construction of ships and offshore platforms; some 17% of all ships currently on order are built to DNV class. To landbased and offshore industry, DNV provides certification and consultancy services in safety, quality and environmental management.

DNV's services are supported by extensive R & D facilities, with laboratories in Norway, the Netherlands, Singapore and the U.S.A. Worldwide, DNV employs some 3,600 staff; 1994 turnover totalled 2.9 billion NOK (U.S. \$447 million).



## EUROC GROUP

Euroc specializes in the production and distribution of mineral-based building materials, primarily in the countries in the Baltic and North Sea regions. Earnings after net financial items and minority shares rose sharply in 1994, totaling SEK 871 M, compared with SEK 340 M in 1993. Cost flow and the Group's financial position were further strengthened. Euroc's position as one of the leading strategic building material companies in Finland has turned out well. Synergistic gains were realized faster than expected and calculated at SEK 130 M, almost twice the amount estimated at the time of acquisition. Euroc's strong trend of earnings is expected to continue. Compared with 1994's results (excluding nonrecurring income), earnings are expected to increase 15-25 percent in 1995.



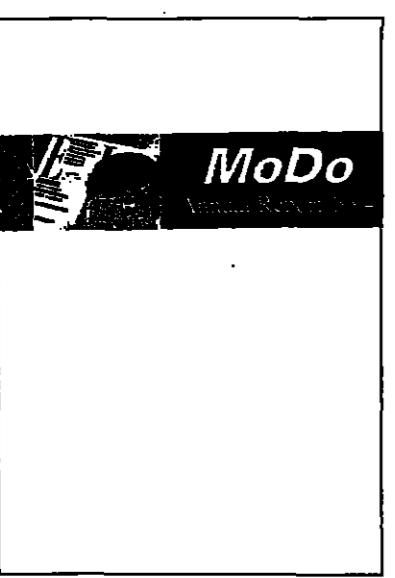
## KEMIRA

Kemira is a Finland-based chemical group whose main business areas are pulp and paper chemicals, water treatment chemicals, titanium dioxide pigments, plant nutrients and paints. Net sales in 1994 were USD 2.5 billion and operating income was USD 308 million, up by 26%. The improved result was due to the cost-cutting that has been carried out at Kemira Oy and the increased sales of our core chemicals and to the positive price trend in our markets. During the current year, Kemira is expected to continue their upward trend. Kemira's shares are quoted in the Helsinki Stock Exchange.



## LKAB

LKAB is one of the world's leading producers of highly upgraded iron ore products. Approximately 85% of the company's shipments go to European steel mills, but LKAB also exports to more distant markets in Asia. Gross revenues fell slightly in 1994 due to lower prices and volume. Income before tax more than doubled due to a capital gain from a sale of iron ore. Demand for LKAB's products continued to be strong and delivered were limited by production capacity. The new pelletizing plant was finished in December, increasing pelletizing capacity by 35%. LKAB's iron ore prices will be raised by 12% in 1995.



## MODO

MoDo is a leading international forest products company which is engaged in the production and sale of fine paper, wood-containing printing papers, paperboard, pulp and timber products. Worldwide, MoDo's sales are NOK 71 billion (USD 12,000 million) and it is one of the world's largest exporters. Some 85 percent of its output is sold to customers abroad. The Group has wholly-owned production facilities in Great Britain and France, as well as in Sweden.

MoDo sells through its own marketing organisations in most European countries and in the USA. MoDo also markets its products via agents and distributors in many other countries.

The consolidated profit after net financial items for 1994 amounted to NOK 142 million kroner. The Group had an average of 11,122 employees, of whom 3,290 were employed in Sweden.

The year's total sales amounted to some 20 billion kroner.



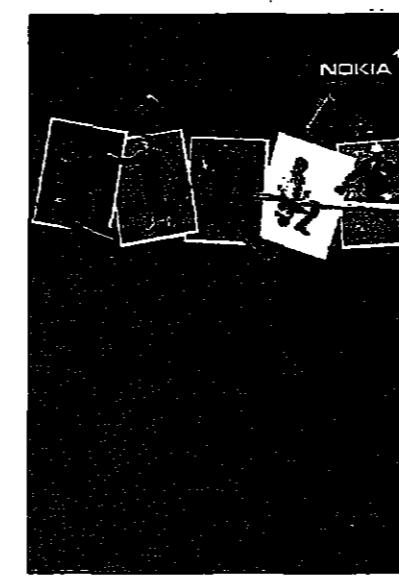
## NORSK HYDRO

Norsk Hydro founded in 1905, is an energy based industrial group with the main products mineral fertilizers, industrial chemicals, oil and gas, aluminum, magnesium and titanium. Worldwide sales totalled NOK 71 billion (USD 12,000 million) and it is one of the world's largest exporters. Some 85 percent of its output is sold to customers abroad. The Group has wholly-owned production facilities in Great Britain and France, as well as in Sweden.

MoDo sells through its own marketing organisations in most European countries and in the USA. MoDo also markets its products via agents and distributors in many other countries.

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## NOKIA

Nokia is a Finland-based telecommunications group with net sales of USD 1.6 billion (USD 30.2 billion) profit before taxes of USD 957 million and earnings per share of USD 10.5 in 1994. Nokia is the world's second largest manufacturer of mobile phones, with sales in some 100 countries around the world. Nokia is also a pioneer in digital switching and cellular telephone technology, with strong positions in global markets for analog and digital GSM-based cellular infrastructure.

Nokia had its first quarter of 1995 sales of NOK 1.1 billion (USD 200 million) and net sales in 1994, Nokia Mobile Phone (54%), Nokia Consumer and Industrial Electronics (22%) and Nokia Cables and Machinery (14%). Nokia's shares are traded on Helsinki, London, New York, Paris, Frankfurt and Stockholm stock exchanges.



## SCA

SCA is a market-oriented company operating in the areas of hygiene products, packaging and graphic paper. SCA owns extensive forest lands and sawmill operations. SCA has approx. 35,000 employees in 26 countries. The SCA share is listed on the stock exchanges in Stockholm and London.

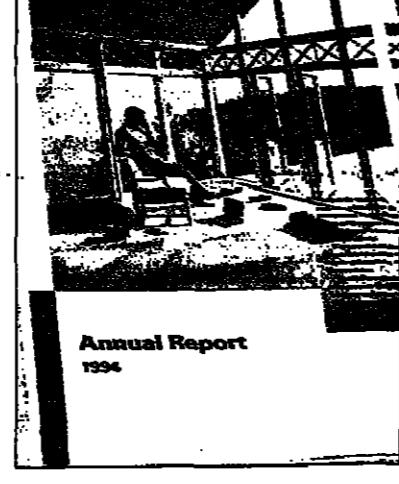
SCA in brief: Net sales SEK 33,676 M (33,420). Earnings after financial net SEK 1,060 M (1,210). Earnings per share after tax SEK 2.94 (3.62).

Profit for 1994 was approximately 10% and is expected to amount to approx. SEK 6.5 billion. Earnings after financial net are expected to amount to SEK 4.5-5.0 billion, corresponding to approx. SEK 1.5 per share after tax.



## SKANSKA AB

Skanska's international expansion continued in 1994. U.S. operations doubled in volume due to the acquisition of Beens Construction and in Finland Skanska established a new subsidiary. Operations outside Sweden rose to 34 percent of Skanska's Group revenue. The year-end book value of the entire property holdings was SEK 19,550 M. During the year 1994, Skanska's real estate holdings, the Group's first real restructuring of Skanska's real estate holdings. The Group strengthened its financial position. Its adjusted equity/assets ratio rose to 35 percent, excluding surplus values in real estate, while net indebtedness fell to SEK 13,151 M.



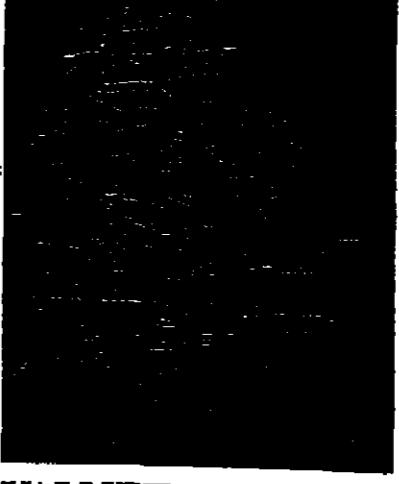
## TELIA

The Telia Group offers public and private networks for telephony, data communications and mobile telephony. Telia is a co-owner of Unisource together with PTT Telecom Netherlands, Swiss Telecom PTT and Telefonica of Spain. In 1994, the Telia Group's revenues totalled SEK 30,000 million. Return on capital employed was 12.3%. Telia invested a total of SEK 6,400 million. Telephone traffic rose 3.2%. Network performance was 99.7%.



## UNI STOREBRAND

Uni Storebrand is Norway's leading private supplier of financial security and insurance to people and companies. With total assets of NOK 19.7 billion (USD 0.8 billion), net premium income of NOK 14.4 billion (USD 1.1 billion) and approximately 4,100 employees, Uni Storebrand is one of Norway's largest companies. The company offers its customers a diverse range of products for products which provide insurance against unexpected events and offer a high and secure return on savings. The business is mainly directed towards the Norwegian market, with market share of 40.9 percent in the non-life business and 29.9 percent in the life business. The company also has a significant position in international marine and energy insurance.



## VALMET

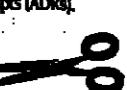
Valmet is a leading world supplier of printing paper, board and tissue machinery. The Corporation's special businesses include Saco, Valmet's automobile production, Aviation Industries and Power Transmission. Valmet's net sales in 1994 totalled about EUR 4.3 billion. There are about 12,000 employees, of which one third are outside Finland. Paper and board machinery and their related process control systems account for more than 80% of net sales. The most important customer areas are Western Europe and North America (nearly a third). The share of the emerging Asian market was 10.3% in 1994. About 65% of Valmet's net sales are made in foreign markets. Valmet's shares are traded in the Helsinki Stock Exchange, in the London SEAC system, and in the USA as American Depository Receipts (ADRs).

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## SPORTS

# Red Wings Blank Sharks in Opener

During the regular season, the San Jose Sharks couldn't buy a goal at Joe Louis Arena. Nor can they in the playoffs.

The Detroit Red Wings continued their season-long domination with a 6-0 victory Sunday in the first game of their Western Conference semifinal. It was a satisfying victory for the Red Wings, who were top-

## NHL PLAYOFFS

seeded last year, too, when ousted by the upstart Sharks in the first round.

But this was the Red Wings' third shutout in three home games against San Jose this season. And they had won all five previous 1995 games while outscoring the Sharks by 19-4 and outshooting them by 145-67.

"I thought Detroit was the best team in the Western Conference last year, but they are a better team this year," said San Jose's coach, Kevin Constantine.

Mike Vernon made just 15 saves in his first playoff shutout since 1989, while Dino Ciccarelli, Paul Coffey, Doug Brown, Ray Sheppard, Sergei Fedorov and Kris Draper scored the goals, three on power plays, one while short-handed. The Red Wings outshot the Sharks, 33-15.

"It's too early to say what is different this year," said Fedorov, who has three assists. "They just came off a tough Game 7 in Calgary, and that would be tough on any team."

Blackhawks 2, Canucks 1: Joe Murphy scored 9:04 into overtime as Chicago took a 1-0 lead

over visiting Vancouver in the other Western Conference semifinal.

Murphy wristed the puck past goaltender Kirk McLean, low to the glove side, after taking a pass in front from Bernie Nicholls. Murphy has scored in five consecutive games, and has three winning goals.

The Blackhawks, 4-0 this season against the Canucks, won even though they had first-period goal disallowed and the Canucks were awarded a controversial goal the next period.

The game was scoreless until Trevor Linden scored for Vancouver with 18 seconds left in the second period. Officials held up the game for five minutes while watching a video replay to make sure the puck crossed the goal line. Denis Savard tied the game for Chicago with 9:58 left in regulation.

Flyers 5, Rangers 4: In Philadelphia, Eric Desjardins scored his second goal 7:03 into overtime of an Eastern Conference semifinal opener against New York.

Desjardins, whose other goal, in the third period, put the Flyers ahead by 4-3, beat goaltender Mike Richter with a 30-footer through a screen.

The Flyers' other three goals were scored by John LeClair, for his first playoff hat trick of his career. Pat Verbeek scored twice for the Rangers, his second goal, with 19 seconds left in the third period, forcing overtime.



When Sammy Sosa's two-out drive in the 13th flew over Raul Mondesi and into the seats, the Cubs had a sweep.

Sammy Sosa's two-out drive in the 13th flew over Raul Mondesi and into the seats, the Cubs had a sweep.

## SCOREBOARD

## Major League Standings

AMERICAN LEAGUE		West Division		East Division		National League	
Boston	14	8	436	1	5	1	58
New York	12	9	571	1½	5	1	58
Baltimore	10	13	431	4½	5	1	58
Philadelphia	15	6	374	1	5	1	58
Milwaukee	11	12	478	1	5	1	58
Kansas City	9	13	407	0½	5	1	58
Chicago	8	14	364	2½	5	1	58
Minnesota	8	16	333	1	5	1	58
West Division	15	9	425	1	5	1	58
Seattle	12	10	452	1	5	1	58
Oakland	11	11	452	1	5	1	58
Texas	13	12	520	1	5	1	58
National League	15	9	520	1	5	1	58
Philadelphia	17	6	579	1	5	1	58
Atlanta	12	10	523	1	5	1	58
Montreal	12	12	500	1	5	1	58
New York	10	14	417	2	5	1	58
Florida	5	18	217	3	5	1	58
Castro Division	12	7	482	1	5	1	58
Chicago	13	10	545	2	5	1	58
Cincinnati	11	11	506	1	5	1	58
St. Louis	11	14	440	2	5	1	58
Pittsburgh	14	14	391	1	5	1	58
West Division	14	10	503	1	5	1	58
Colorado	12	12	523	1	5	1	58
San Francisco	13	12	523	1	5	1	58
San Diego	11	13	458	1	5	1	58
Los Angeles	10	14	417	1	5	1	58

## Sunday's Line Scores

AMERICAN LEAGUE		East Division		West Division		National League	
Baltimore	999	999	999	4	0	4	0
New York	999	999	999	5	12	0	0
Montreal	999	999	999	6	12	0	0
Atlanta	999	999	999	7	12	0	0
Montreal	999	999	999	8	12	0	0
New York	999	999	999	9	12	0	0
Florida	999	999	999	10	12	0	0
Castro Division	999	999	999	11	12	0	0
Chicago	999	999	999	12	12	0	0
Houston	999	999	999	13	12	0	0
Cincinnati	999	999	999	14	12	0	0
St. Louis	999	999	999	15	12	0	0
Pittsburgh	999	999	999	16	12	0	0
West Division	999	999	999	17	12	0	0

## Sunday's Line Scores

AMERICAN LEAGUE		East Division		West Division		National League	
Baltimore	999	999	999	4	0	4	0
New York	999	999	999	5	12	0	0
Montreal	999	999	999	6	12	0	0
Atlanta	999	999	999	7	12	0	0
Montreal	999	999	999	8	12	0	0
New York	999	999	999	9	12	0	0
Florida	999	999	999	10	12	0	0
Castro Division	999	999	999	11	12	0	0
Chicago	999	999	999	12	12	0	0
Houston	999	999	999	13	12	0	0
Cincinnati	999	999	999	14	12	0	0
St. Louis	999	999	999	15	12	0	0
Pittsburgh	999	999	999	16	12	0	0
West Division	999	999	999	17	12	0	0

## Sunday's Line Scores

AMERICAN LEAGUE		East Division		West Division		National League	
Baltimore	999	999	999	4	0	4	0
New York	999	999	999	5	12	0	0
Montreal	999	999	999	6	12	0	0
Atlanta	999	999	999	7	12	0	0
Montreal	999	999	999	8	12	0	0
New York	999	999	999	9	12	0	0
Florida	999	999	999	10	12	0	0
Castro Division	999	999	999	11	12	0	0
Chicago	999	999	999	12	12	0	0
Houston	999	999	999	13	12	0	0
Cincinnati	999	999	999	14	12	0	0
St. Louis	999	999	999	15	12	0	0
Pittsburgh	999	999	999	16	12	0	0
West Division	999	999	999	17	12	0	0

## Sunday's Line Scores

AMERICAN LEAGUE		East Division		West Division		National League	
Baltimore	999	999	999	4	0	4	0



## ART BUCHWALD

## Graduate Rain Check

WASHINGTON — Every spring I choose one graduating class to address. This year was very special because I spoke to one that never was. On Sunday, May 14, George Washington University was supposed to hold its graduation. Chairs had been set up outdoors on the Ellipse to accommodate 3,000 students and 17,000 guests.

At 9 that morning it began to rain. The university officials, having failed to make any alternative plans, called off the graduation.

I was one of the guests. The daughter of a friend of mine was expecting to get her master's degree.

When to everyone's dismay the graduation was called off, we retired to the Four Seasons for a disconsolate brunch. It was there that I was prevailed upon to speak at a graduation that never happened.

"My fellow Americans: This is the greatest day of your life — or at least it could have been if someone hadn't rained on your parade. Your administration feels sick about the inconvenience, but it urges you to turn this into an educational experience that you will remember in the years to come."

"You are experiencing your first 'life is unfair' trauma, or what people in charge of graduations call an 'act of God.' This means that if you or your relatives and friends who came from all over the globe are upset, you should blame the Lord, not GW, for failing to have a backup plan."

"In the academic world, we call a failed graduation 'tough



Buchwald

luck and obviously something that no administration is pleased with. But there's no reason for parents who shelled out \$100,000 to make a big deal of it."

"And one more thing — just because you paid a \$50 fee for your cap and gown doesn't mean you're going to get it back even though your graduation never took place. Originally your school intended to use the \$50 as a contribution to find out why no administrator thought to have a Plan B — despite the fact that the weather experts had forecast rain."

"I wish that I could hand each of you your diploma, but I can't because by now almost every graduate and his family are speeding down the highway hardly talking to one another because someone goofed."

"I know that many of you are asking, 'Why me?' As a truly educated person you should be asking, 'Why not me?' When thinking back on this day, you will always remember that even though it was wet at GW, the rain in Spain stays mainly in the plain."

"Could this graduation, and the 20,000 people who had hoped to be part of it, have been held in a dry gymnasium or Constitution Hall or the Kennedy Center?

"Yes, it could have, but that would have meant someone needed to think about it. You can't assume that university administrators with Ph.D.s think."

"My fellow students, do not despair because you are out in the cold in your rented caps and gowns. In the years ahead when your children ask you what you did on graduation day, you can honestly say, 'I was canceled.'

I'm pleased to report that, although it was a small crowd at the Four Seasons, I received a standing ovation from all the disappointed families in the room.

## WEATHER

## Europe

Forecast for Wednesday through Friday, as provided by Accu-Weather.



## North America

Midwest warming will precede thunderstorms in New York City and Washington, D.C., as well as in the Great Lakes.

Friday: Toronto and Chicago will be cool and generally dry, but more heavy rains may fall in the week will be dry and Spain and Portugal will have scattered showers. Italy will be generally dry and mild.

Saturday: New England will turn milder after a chilly midweek, and showers can occur at any time.

Sunday: The week will end with a cold front moving across the Midwest.

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TUESDAY, MAY 23, 1995

PAGE 23

## A 'Unified' England Has North's Best Shot at Winning Rugby World Cup

By Ian Thomsen  
*International Herald Tribune*

**DURBAN**, South Africa — The workers high above were drilling and hammering to finish the new stadium roof in time for the weekend. Down below, along the sideline, stood Dennis Easby, consorting jovially with the very newsmen who had been demanding his resignation (or worse) just three weeks earlier. Among the players they were watching Monday was Will Carling, whom Easby had attempted to depose as England's captain early this month. It was all jolly amicable.

"It's now forgotten," the team's manager, Jack Rowell, said of the affair, set off by Carling's televised statement that English rugby shouldn't be amateur and shouldn't be run by "57 old farts."

**Forgotten?** "It's an underlying thing," Rowell admitted. "It's made us stronger. It's made the team more unified."

England is the most likely of the European/Northern Hemisphere nations to win the Rugby World Cup at the quadrennial tournament that opens play Thursday in Cape Town. There the defending champion, Australia, will meet the host, South Africa, which will be making its World Cup debut after having been excluded from the 1987 and 1991 tournaments. It will probably be the most important

game of the opening round-robin; certainly it will mean a lot for the English, who are likely to meet the loser of that match in a quarterfinal.

"We have the worst draw in the tournament," Rowell said.

Indeed, England is favored to sweep through its opening round group of Western Samoa, Italy and Argentina starting Saturday — but thereafter the obstacles grow enormously. The Southern Hemisphere powers of South Africa, New Zealand and Australia will likely be waiting in line for England, if it's successful, over the final 15 days.

So the punishing English game, based on ball control and a grapping inside game, is likely to need inspiration. The necessary jolt may have been provided quite unknowingly by Easby, leader of England's Rugby Football Union, the same group which — or so Carling has intimated — is preventing England's players from rising to the highest professional level, as played in the Southern Hemisphere.

In Jeremy Guscott, Mike Catt, Carling and the Underwood brothers, Rory and Tony, England has a fast stable. Under Carling the team has an unprecedented record of success, with three undefeated titles in the Five Nations Championship since 1990 and a final place in the 1991 World Cup. What it has lacked, as Scotland



Looking a bit like sheep returning from the shearing station, the French team was put through its paces Monday.

managed to prove while losing the Five Nations decider at Twickenham more than two months ago, is the inspiration to stretch defenses wide, to produce the sort of magic capable of winning this tournament.

The hard and fast South African grounds are expected to hinder England to the benefit of the quicker Southern powers.

Playing on soft grounds, and we got a shock when we came here last year. We need to adapt our game, and fortunately last year's experience is fresh in our minds. We will adapt."

The English split their Test

playing on soft grounds, and we got a shock when we came here last year. We need to adapt our game, and then making it up to their hosts in the next round. Yet it seems as though England is respected more here than at home. Nick

Farr-Jones, captain of the 1991

Australian champions, rates England to reach the June 24 final in Johannesburg. Many of the Southern Hemisphere teams have been talking up the English chances, undoubtedly concerned that England might sneak through without pressure.

England's chief rival, France, did a good job this winter of relieving itself of such pressure. After winning an historic pair of Tests in New Zealand last year, the French managed the Five Nations Championship, losing to England and Scotland. A recent 24-15 victory over Romania did not impress. Yet the New Zealand tour was too bold to be a fluke, and France has the easiest draw of the tournament. One muted school of thought is that the change of environment will help the French, and that the English, by comparison, may have peaked too early. Then again, England may still peak.

The team is still very much like the one which beat New Zealand, so we can't be that bad," said Philippe Sella, the 33-year-old French center and the most-capped (106) international ever.

"It's true that we have been through hard times, but that doesn't mean we're no good. We must go out there believing that we can upset any body in the world."

The French are capable of creating the flair that the English have always lacked, but of

ten that flair backfires in the form of self-indulgent penalties and turnovers. It seemed to backfire stylistically last week when a French hairdresser was called to the team's Pretoria headquarters for the patriotic duty of shaving the 11 heads of the French backline. Words cannot describe the new team photograph.

Scotland might be the sixth-best team in the field, but 33-year-old captain Gavin Hastings has admitted to having no chance of winning the championship in what will be his final appearances. A recreation of its upset of France would lead to big ideas, for the winner of that opening-round match is likely to earn a clear path to the semifinals, with only Wales or Ireland standing in the way. Those two shared just one victory (by Ireland) in the Five Nations, and yet the winner of their first-round match this month will likely move onto the final eight.

And there is the best indicator of the poor depth of these world championships.

Of the other Northern Hemisphere teams, Italy has the best hope of finishing second in its opening group, behind England, and thereby reaching the quarterfinal round. As for Romania and Canada, each has fallen since showing such promise in recent years. Not that it would matter this time, however, as both are in the group with Australia and South Africa.

### Muster Seeded Fifth in Paris

*The Associated Press*

**PARIS** — Andre Agassi, winner of the last two Grand Slam tournaments, was top seeded Monday for the French Open, although Thomas Muster may be the favorite when the two-week tournament begins May 29.

Arantxa Sanchez Vicario, the defending champion, was the women's top seed. She and Agassi were given the top spots by the organizing committee based on their No. 1 world rankings. The draw will be held Friday.

Muster is fifth seeded, after Pete Sampras, Boris Becker and Goran Ivanisevic, and followed by Michael Chang, two-time defending French champion Sergi Bruguera and Wayne Ferreira. But Muster is unbeaten on clay this year; he extended his streak to 28 matches and five tournaments Sunday when he won beat Bruguera to win the Italian Open.

### SIDELINES

#### IAAF Reinstates Britain's Gordon

**GOTHENBURG**, Sweden (AP) — Discus thrower Peter Gordon, suspended for four years for failing to provide a complete urine sample at the British championships in June 1993, because he had testicular cancer, was reinstated Monday by the IAAF.

It also said that Northern Ireland would be the unopposed candidate to host the 1999 World Cross Country Championships, while Athens, awarded the 1997 World Outdoor Championships, would be replaced as host of the indoor championships that year.

• Daniela Bartova of the Czech Republic set a world record in the women's pole vault, clearing 4.10 meters (13 feet, 5 1/4 inches) in Ljubljana, Slovenia, on Sunday to break the mark held by two Chinese women for a few days.

#### For the Record

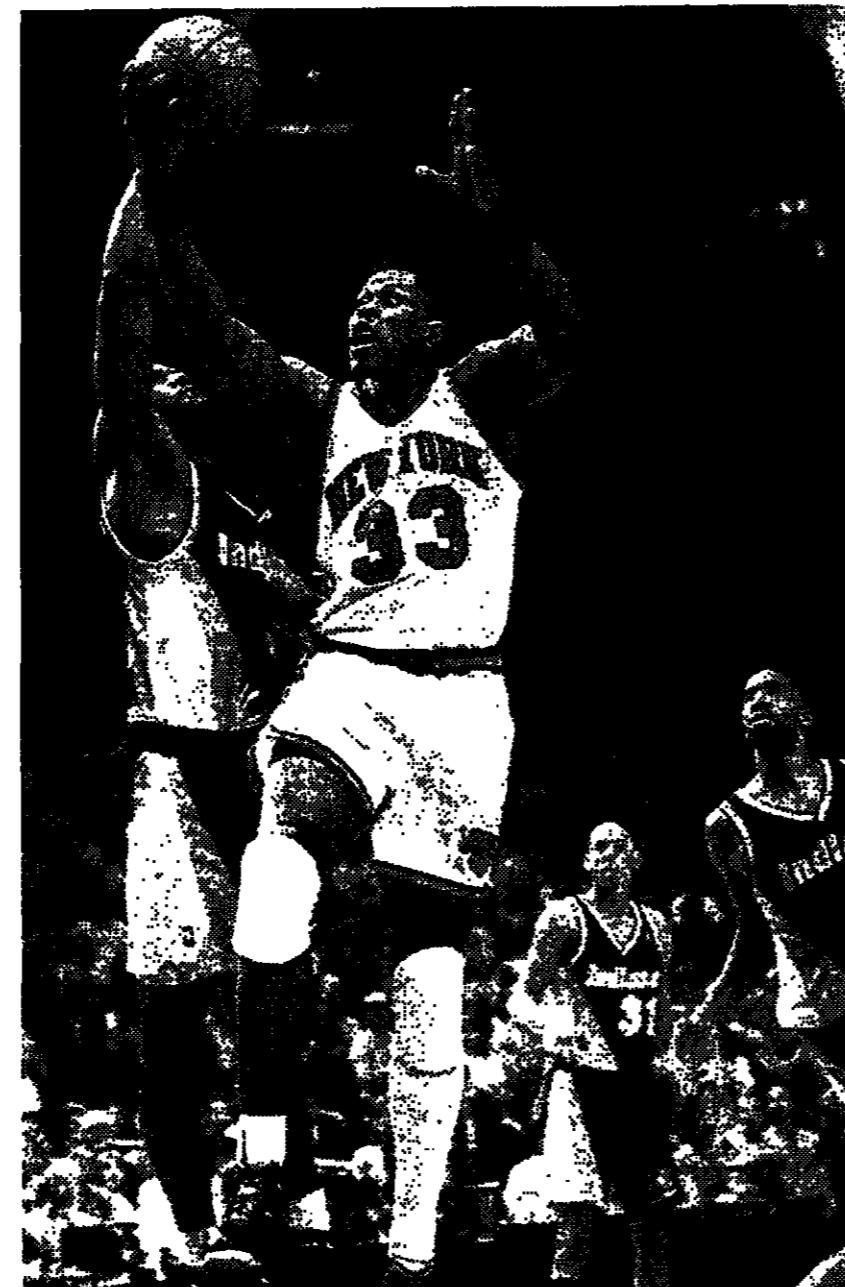
Dynamo Dresden, once the pride of East German soccer, had its license revoked after accumulating \$6.9 million in debts. (AP)

Vijay Singh, who had parred the previous 22 holes, sank a 15-foot birdie putt on the fifth hole of sudden death to beat Doug Martin and win the Buick Classic. (Reuters)

Ray Parlour, a player for the English soccer club Arsenal, was fined \$256 in Hong Kong, and ordered to pay a cab driver the same amount, for hitting him; his attorney said Parlour had drunk several pints of beer and remembered little about the incident. (AP)

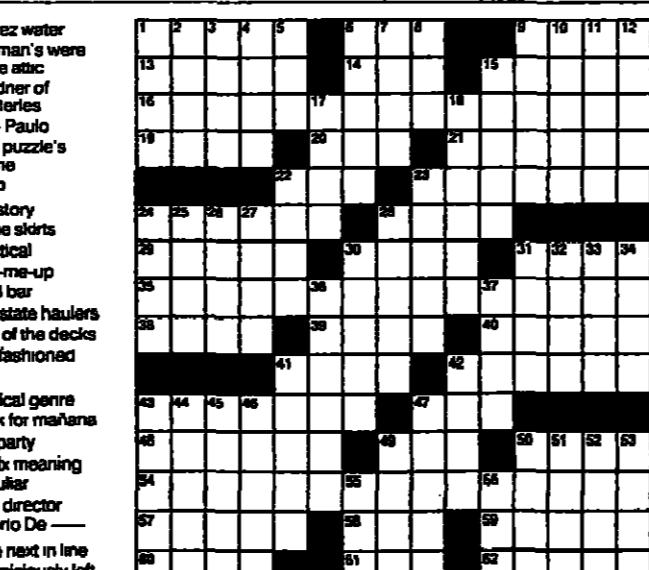
• Graeme Souness, the former Liverpool manager, was hired by the Turkish soccer club Galatasaray. (AP)

• The Winnipeg Jets are staying put for now; the prospective Minneapolis buyers of the NHL club said they were backing out because the current owner, Barry Sherkarow, may have to repay more than \$11.7 million to Manitoba if the team moves. (AP)



Patrick Ewing blew to the basket with a second left, and blew the tying layup.

### CROSSWORD



## ART BUCHWALD

## Graduate Rain Check

WASHINGTON — Every year was very special because I spoke to one that never was. On Sunday, May 14, George Washington University was supposed to hold its graduation. Chairs had been set up outdoors on the Ellipse to accommodate 3,000 students and 17,000 guests.

At 9 that morning it began to rain. The university officials, having failed to make any alternative plans, called off the graduation.

I was one of the guests. The daughter of a friend of mine was expecting to get her master's degree.

When to everyone's dismay the graduation was called off, we retired to the Four Seasons for a disconsolate brunch. It was there that I was prevailed upon to speak at a graduation that never happened.

"My fellow Americans: This is the greatest day of your life or at least it could have been if someone hadn't rained on your parade. Your administration feels sick about the inconvenience, but it urges you to turn this into an educational experience that you will remember in the years to come.

"You are experiencing your first 'life is unfair' trauma, or what people in charge of graduations call an 'act of God.' This means that if you or your relatives and friends who came from all over the globe are upset, you should blame the Lord, not GW, for failing to have a backup plan.

"In the academic world, we call a failed graduation tough



Buchwald

luck and obviously something that no administration is pleased with. But there's no reason for parents who shelled out \$100,000 to make a big deal of it.

"And one more thing — just because you paid a \$50 fee for your cap and gown doesn't mean you're going to get it back even though your graduation never took place. Originally your school intended to use the \$50 fee as a contribution to find out why no administrator thought to have a Plan B — despite the fact that the weather experts had forecast rain.

"I wish that I could hand each of you your diploma, but I can't because by now almost every graduate and his family are speeding down the highway hardy talking to one another because someone goofed.

"I know that many of you are asking, 'Why me?' As a truly educated person you should be asking, 'Why not me?' When thinking back on this day, you will always remember that even though it was wet at GW, the rain in Spain stays mainly in the plain.

"Could this graduation, and the 20,000 people who had hoped to be part of it, have been held in a dry gymnasium or Constitution Hall or the Kennedy Center?

"Yes, it could have, but that would have meant someone needed to think about it. You can't assume that university administrators with Ph.D.s think.

"My fellow students, do not despair because you are out in the cold in your rented caps and gowns. In the years ahead when your children ask you what you did on graduation day, you can honestly say, 'I was canceled.'

"I'm pleased to report that, although it was a small crowd at the Four Seasons, I received a standing ovation from all the disappointed families in the room.

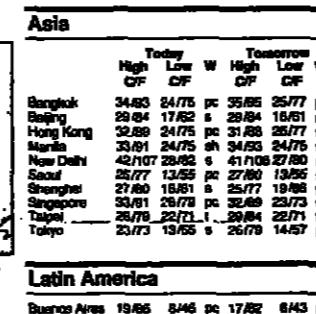
## WEATHER

Europe									
Today	High	Low	Temp.	Wind	Wind	Wind	Wind	Wind	Wind
W	W	W	W	W	W	W	W	W	W
Off	Off	Off	Off	Off	Off	Off	Off	Off	Off
Algiers	23/73	16/81	9	23/73	16/81	9	23/73	16/81	9
Amsterdam	18/64	13/55	10	19/65	13/55	10	19/65	13/55	10
Antwerp	24/75	14/57	10	25/76	14/57	10	25/76	14/57	10
Athens	24/75	14/57	10	25/76	14/57	10	25/76	14/57	10
Barcelona	24/73	16/61	10	25/73	16/61	10	25/73	16/61	10
Brussels	24/75	14/57	10	25/75	14/57	10	25/75	14/57	10
Budapest	23/71	9/49	10	24/73	9/49	10	24/73	9/49	10
Buenos Aires	22/71	13/55	10	23/73	13/55	10	23/73	13/55	10
Budapest	24/75	14/57	10	25/75	14/57	10	25/75	14/57	10
Copenhagen	18/64	8/46	10	21/70	13/62	10	21/70	13/62	10
Dublin	18/64	8/46	10	21/70	13/62	10	21/70	13/62	10
Edinburgh	14/67	11/52	10	14/67	11/52	10	14/67	11/52	10
Florence	24/73	16/61	10	25/73	16/61	10	25/73	16/61	10
Frankfurt	24/75	14/57	10	25/75	14/57	10	25/75	14/57	10
Genoa	22/71	10/50	10	24/75	13/62	10	24/75	13/62	10
Helsinki	13/65	3/37	10	14/67	3/37	10	14/67	3/37	10
Istanbul	24/75	17/72	10	25/75	17/72	10	25/75	17/72	10
La Palma	24/75	17/72	10	25/75	17/72	10	25/75	17/72	10
Lisbon	22/71	16/61	10	23/71	16/61	10	23/71	16/61	10
London	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Madrid	25/77	15/59	10	27/80	15/59	10	27/80	15/59	10
Milan	23/79	13/55	10	26/79	13/55	10	26/79	13/55	10
Munich	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Naples	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Paris	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Prague	24/75	14/67	10	25/75	14/67	10	25/75	14/67	10
Rome	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Stockholm	12/53	7/44	10	16/51	7/44	10	16/51	7/44	10
Turin	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Tunis	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Venice	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Vienna	21/70	10/50	10	21/70	10/50	10	21/70	10/50	10
Warsaw	18/64	6/43	10	23/73	11/52	10	23/73	11/52	10
Zurich	23/73	12/63	10	24/73	12/63	10	24/73	12/63	10
Oceans	17/62	8/46	10	18/64	8/46	10	18/64	8/46	10
Sydney	20/68	11/52	10	19/65	10/50	10	19/65	10/50	10

Forecast for Wednesday through Friday, as provided by Accu-Weather.



**Europe**  
Minor thunderstorms will precede a cold midweek, and showers can occur at any time. There will be showers in France, Italy, Spain, Portugal, and the Iberian Peninsula.



**Asia**  
Showers and thunderstorms will cross Korea at midweek, then move on to Japan as dry northwest winds blow. The week will be dry and mostly sunny in India, and Spain and Portugal will have a few midweek showers. The week will be generally dry and midweek.



**North America**  
A cold front will move across the central and eastern United States on Friday, bringing a mix of rain and snow. The week will be mostly dry and mostly sunny in the West.



**Africa**  
A cold front will move across the central and eastern United States on Friday, bringing a mix of rain and snow. The week will be mostly dry and mostly sunny in the West.

## WEEKEND DESTINATIONS

SATURDAY									
Europe and Middle East	Today	High	Low	Temp.	Wind	Wind	Wind	Wind	Wind
Location	Temp.	Temp.	Temp.	Wind	Wind	Wind	Wind	Wind	Wind
Weather	Off	Off	Off	Off	Off	Off	Off	Off	Off
Cannes	25/73	12/53	10	18/64	0-1	N	10-18		
Deauville	24/75	12/53	10	18/64	0-1	N	10-18		
Paris	partly sunny	24/75	12/53	10	18/64	0-1	N	10-18	
Malaga	20/64	16/56	10	15/55	0-1	NE	15-25		
Cagliari	partly sunny	24/75	16/56	10	15/55	0-1	N	15-20	
Faro	24/75	16/56	10	15/55	0-1	NE	15-20		
Porto	24/75	16/56	10	15/55	0-1	NE	15-20		
Corfu	20/68	12/53	10	15/55	0-1	SW	15-25		
Brighton	partly sunny	24/75	14/57	10	14/57	0-1	WSW	10-20	
Oxford	24/75	13/55	10	15/55	0-1	S	15-25		
Schoveningen	24/75	13/55	10	15/55	0-1	S	15-25		
Sofia	partly sunny	22/71	11/52	10	15/55	0-1	S	12-22	
Tzim	22/71	11/52	10	15/55	0-1	S	12-22		
Tel Aviv	30/88	21/70	10	20/68	0-1	SW	10-20		
Caribbean and West Atlantic	Today	High	Low	Temp.	Wind	Wind	Wind	Wind	Wind
Location	Temp.	Temp.	Temp.	Wind	Wind	Wind	Wind	Wind	Wind
Weather	Off	Off	Off	Off	Off	Off	Off	Off	Off
Barbados	33/91	24/75	10	30/86	0-1	SW	10-20		
Kingston	33/91	26/79	10</td						